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Annual Report

for the Vanguard® Exchange Traded Funds

13 September 2021

Vanguard Investments Australia Ltd announces the following:

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

Vanguard has prepared an Annual Report for the year ended 30 June 2021, for the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

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

Further Information

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

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Annual report | 30 June 2021

Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

Responsible Entity

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Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

Fund	ASX	ARSN	ABN
Vanguard FTSE Asia ex Japan Shares Index ETF	VAE	606 451 110	50 411 576 623
Vanguard Emerging Markets Shares Index Fund	-	090 939 450	63 171 298 643
Vanguard FTSE Europe Shares ETF	VEQ	606 480 086	30 252 933 265
Vanguard FTSE Emerging Markets Shares ETF	VGE	147 937 906	91 542 729 566
Vanguard International Property Securities Index Fund	-	115 001 002	97 674 886 440
Vanguard Global Value Equity Fund	VVLU	613 053 062	71 928 129 734
Vanguard Global Infrastructure Index Fund	VBLD	128 385 277	82 191 294 545
Vanguard Global Multi-Factor Fund	VGMF	630 597 929	87 721 624 679
Vanguard International Shares Index Fund	VGS	090 939 610	56 291 101 711
Vanguard International Small Companies Index Fund	VISM	127 015 472	20 372 713 731

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About Vanguard

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

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

With over AUD \$10.6 trillion in assets under management as of 30 June 2021, including more than AUD \$2.6 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 25 years.

Our unique structure — putting investors' interests first

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

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

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

Our investment expertise

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

Low-cost investing

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

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

Directors' report

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs (the "Funds") for the year ended 30 June 2021 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 2021.

Principal activities

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

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 (Resigned 21 September 2020)

C Lui (Resigned 31 December 2020)

J Platt

F Kolimago

C Mclsaac (Appointed 25 September 2020)

C Cosby (Appointed 21 May 2021)

D Shrimski (Appointed 21 May 2021)

Review and results of operations

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

Results

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	42,553	60,926	-	-	-	-
Distribution (cents per unit)	-	-	6.6672	10.7838	-	-	-	-
Distributions - ETF Class								
Distribution paid and payable (\$'000)	4,797	4,931	-	-	4,320	5,257	8,510	9,874
Distribution (cents per unit)	128.5826	183.5307	-	-	123.7268	134.8792	129.6295	194.3714

Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	452,248	(289,746)	34,390	(6,749)	103,109	(25,418)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	59,053	98,858	256	311	31,483	67,764
Distribution (cents per unit)	2.9813	5.5396	1.4916	3.8056	3.9768	11.5970
Distributions - ETF Class						
Distribution paid and payable (\$'000)	-	-	1,543	535	3,177	2,402
Distribution (cents per unit)	-	-	68.8239	108.5399	144.2080	167.4809

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	7,151	(2,379)	5,371,454	803,359	449,359	(40,793)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	50	48	952,330	902,639	103,773	57,965
Distribution (cents per unit)	1.5233	1.3960	13.5925	13.8865	14.4699	8.8811
Distributions - ETF Class						
Distribution paid and payable (\$'000)	341	233	62,090	50,722	5,510	1,301
Distribution (cents per unit)	78.8042	69.8598	187.6973	191.0484	325.9565	207.3671
Distributions - B Class						
Distribution paid and payable (\$'000)	-	-	30,560	39,815	-	-
Distribution (cents per unit)	-	-	184.6279	341.5366	-	-

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 2021 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.

	2021	2020	2019	2018	2017
	%	%	%	%	%
Vanguard FTSE Asia ex Japan Shares Index ETF					
Capital growth	25.94	0.22	2.47	9.40	17.30
Distribution of income	2.17	2.83	2.25	3.19	3.65
Total return	28.11	3.05	4.72	12.59	20.95
Benchmark					
FTSE Asia Pacific ex Japan, Australia and New Zealand Index (with net dividends reinvested) in AUD	29.07	3.50	5.06	12.69	21.43

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard Emerging Markets Shares Index Fund					
Capital growth	24.69	(6.94)	2.67	9.48	14.75
Distribution of income	3.63	4.96	3.42	2.36	4.77
Total return	28.32	(1.98)	6.09	11.84	19.52
Benchmark					
<i>MSCI Emerging Markets Index (with net dividends reinvested) in AUD</i>	29.22	(1.53)	6.56	12.33	20.12
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard FTSE Europe Shares ETF					
Capital growth	22.49	(7.14)	2.88	5.72	14.59
Distribution of income	2.60	2.33	2.83	2.79	2.88
Total return	25.09	(4.81)	5.71	8.51	17.47
Benchmark					
<i>FTSE Developed Europe All Cap Index (with net dividends reinvested) in AUD</i>	25.79	(4.65)	6.53	10.34	18.29
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard FTSE Emerging Markets Shares ETF					
Capital growth	25.41	(5.64)	5.89	7.31	12.56
Distribution of income	2.26	2.76	2.31	1.91	2.00
Total return	27.67	(2.88)	8.20	9.22	14.56
Benchmark					
<i>FTSE Emerging Markets All Cap China A Inclusion Index (with net dividends reinvested) in AUD</i>	27.92	(1.33)	8.41	10.56	15.88
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard International Property Securities Index Fund					
Capital growth	20.17	(17.68)	7.99	(0.07)	(11.64)
Distribution of income	3.48	4.36	5.69	9.26	6.93
Total return	23.65	(13.32)	13.68	9.19	(4.71)
Benchmark					
<i>FTSE EPRA/NAREIT Developed ex-Australia Rental index (with net dividends reinvested) in AUD</i>	23.33	(13.44)	13.46	8.95	(4.83)
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard Global Value Equity Fund					
Capital growth	47.58	(20.75)	(5.41)	4.71	11.08
Distribution of income	2.02	3.23	3.52	10.05	4.80
Total return	49.60	(17.52)	(1.89)	14.76	15.88
Benchmark					
<i>FTSE Developed All-Cap Index in AUD</i>	28.95	3.88	10.47	15.62	11.95

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard Global Infrastructure Index Fund					
Capital growth	5.86	(11.33)	17.26	3.03	(1.43)
Distribution of income	3.63	8.63	4.48	5.90	7.02
Total return	9.49	(2.70)	21.74	8.93	5.59
Benchmark					
<i>FTSE Developed Core Infrastructure Index (with net dividends reinvested) in AUD</i>	9.50	(2.69)	21.76	8.98	5.52
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard Global Multi-Factor Fund					
Capital growth	32.62	(10.03)	0.66	-	-
Distribution of income	1.89	1.32	0.59	-	-
Total return	34.51	(8.71)	1.25	-	-
Benchmark					
<i>FTSE Developed All-Cap Index in AUD</i>	28.95	3.88	2.94	-	-
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard International Shares Index Fund					
Capital growth	21.21	(0.81)	6.47	11.35	7.62
Distribution of income	6.36	6.05	5.63	4.09	7.19
Total return	27.57	5.24	12.10	15.44	14.81
Benchmark					
<i>MSCI World ex-Australia Index (with net dividends reinvested) in AUD</i>	27.50	5.18	11.95	15.39	14.73
	2021 %	2020 %	2019 %	2018 %	2017 %
Vanguard International Small Companies Index Fund					
Capital growth	29.75	(9.02)	(2.85)	12.54	9.59
Distribution of income	10.43	5.30	5.12	6.51	7.83
Total return	40.18	(3.72)	2.27	19.05	17.42
Benchmark					
<i>MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in AUD</i>	40.45	(3.43)	2.36	19.19	17.52

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

Directors' report (continued)

Review and results of operations (continued)

Unit redemption prices

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

	At 30 June		Period high		Period low	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Vanguard FTSE Asia ex Japan Shares Index ETF	83.4629	66.4727	86.1623	72.7432	67.6669	60.0162
Vanguard Emerging Markets Shares Index Fund	2.5296	2.0354	2.5689	2.3606	2.0056	1.8534
Vanguard FTSE Europe Shares ETF	64.3456	52.6544	65.1873	62.9566	50.0024	44.9753
Vanguard FTSE Emerging Markets Shares ETF	80.4367	64.2162	80.9337	74.4404	64.3509	57.3842
Vanguard International Property Securities Index Fund	1.1637	0.9694	1.1777	1.3676	0.9144	0.8970
Vanguard Global Value Equity Fund - Wholesale Class	1.2913	0.8763	1.3031	1.2060	0.8341	0.7550
Vanguard Global Value Equity Fund - ETF Class	57.0974	38.6797	57.6102	52.5560	36.8531	33.0168
Vanguard Global Infrastructure Index Fund - Wholesale Class	1.2367	1.2051	1.2543	1.5262	1.0797	1.1412
Vanguard Global Infrastructure Index Fund - ETF Class	57.6967	54.4637	58.5229	67.2250	50.3805	50.2657
Vanguard Global Multi-Factor Fund - Wholesale Class	1.2066	0.9095	1.2066	1.1269	0.8916	0.7783
Vanguard Global Multi-Factor Fund - ETF Class	60.4032	45.5332	60.4032	56.3927	44.6334	38.9486
Vanguard International Shares Index Fund - Wholesale Class	2.8434	2.3707	2.8490	2.7080	2.2838	2.0657
Vanguard International Shares Index Fund - ETF Class	96.7508	77.4472	96.8899	88.1220	76.7182	67.2516
Vanguard International Shares Index Fund - B Class	94.1457	76.9373	94.2809	87.5058	74.6740	66.7814
Vanguard International Small Companies Index Fund - Wholesale Class	2.0017	1.5208	2.0055	1.8512	1.4680	1.2737
Vanguard International Small Companies Index Fund - ETF Class	64.5446	48.1470	64.6125	58.4335	46.6368	40.2084

Significant changes in state of affairs

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

Chris McIsaac 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.

Caroline Cosby was appointed as a Director of Vanguard Investments Australia Ltd on 21 May 2021

Daniel Shrimski was appointed as a Director of Vanguard Investments Australia Ltd on 21 May 2021

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 2021 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Directors' report (continued)

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 8.

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



F Kolimago

Managing Director

Melbourne

9 September 2021



Auditor's Independence Declaration

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

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

*denotes listed Funds

As lead auditor for the audit of Vanguard Wholesale International Equities Funds (Unhedged) and ETFs for the year ended 30 June 2021, 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, appearing to read 'Britt Hawkins', is written over a light blue horizontal line.

Britt Hawkins
Partner
PricewaterhouseCoopers

Melbourne
9 September 2021

Statements of comprehensive income

For the year ended 30 June 2021

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Investment income									
Interest income		-	1	-	34	-	-	-	-
Dividend income		5,503	4,223	30,435	38,359	-	-	-	-
Distribution income		111	80	231	341	4,705	4,684	8,876	9,195
Net gains/(losses) on financial instruments at fair value through profit or loss	5	57,922	1,357	326,118	(56,723)	37,686	(21,299)	102,362	(19,521)
Other operating income		416	156	94	320	6	3	84	15
Total net investment income/(loss)		63,952	5,817	356,878	(17,669)	42,397	(16,612)	111,322	(10,311)
Expenses									
Responsible Entity's fees	15	1,132	712	8,010	6,752	528	623	1,830	1,322
Custody fees		78	58	63	120	1	1	1	2
Transaction costs		67	27	240	299	2	1	6	4
Other operating expenses		125	144	462	1,893	8	10	10	-
Total operating expenses		1,402	941	8,775	9,064	539	635	1,847	1,328
Operating profit/(loss)		62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	-	-	-	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders	9	-	-	-	-	-	-	-	-
Profit/(loss) for the year		62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)

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 2021

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Dividend income		10,118	4,876	2,215	691	24,217	20,293
Distribution income		54,195	58,771	18	15	2,433	1,894
Net gains/(losses) on financial instruments at fair value through profit or loss	5	394,897	(344,249)	32,447	(7,355)	81,233	(43,283)
Other operating income		1,691	348	135	43	284	120
Total net investment income/(loss)		460,901	(280,254)	34,815	(6,606)	108,167	(20,976)
Expenses							
Responsible Entity's fees	15	8,006	8,322	263	86	4,812	4,129
Custody fees		56	35	28	24	46	47
Transaction costs		112	135	33	12	56	67
Other operating expenses		479	1,000	101	21	144	199
Total operating expenses		8,653	9,492	425	143	5,058	4,442
Operating profit/(loss)		452,248	(289,746)	34,390	(6,749)	103,109	(25,418)
Finance costs attributable to unitholders							
Distributions to unitholders	10	-	-	(1,799)	(846)	(34,660)	(70,166)
(Increase)/decrease in net assets attributable to unitholders	9	-	-	(32,591)	7,595	(68,449)	95,584
Profit/(loss) for the year		452,248	(289,746)	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		452,248	(289,746)	-	-	-	-

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 2021

	Notes	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Investment income							
Interest income		-	-	-	189	-	-
Dividend income		488	374	348,147	346,232	15,861	13,423
Distribution income		2	7	11,174	13,731	4,053	3,836
Net gains/(losses) on financial instruments at fair value through profit or loss	5	6,771	(2,658)	5,051,619	480,761	433,678	(54,377)
Other operating income		8	5	1,143	2,620	1,365	1,012
Total net investment income/(loss)		7,269	(2,272)	5,412,083	843,533	454,957	(36,106)
Expenses							
Responsible Entity's fees	15	80	63	38,634	33,402	5,130	4,079
Custody fees		19	25	70	55	48	55
Transaction costs		6	7	428	436	71	85
Other operating expenses		13	12	1,497	6,281	349	468
Total operating expenses		118	107	40,629	40,174	5,598	4,687
Operating profit/(loss)		7,151	(2,379)	5,371,454	803,359	449,359	(40,793)
Finance costs attributable to unitholders							
Distributions to unitholders	10	(391)	(281)	(1,044,980)	(993,176)	(109,283)	(59,266)
(Increase)/decrease in net assets attributable to unitholders	9	(6,760)	2,660	(4,326,474)	189,817	(340,076)	100,059
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-

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

Balance sheets

As at 30 June 2021

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Assets									
Cash and cash equivalents	11	4,102	1,933	17,330	12,519	195	107	457	283
Margin accounts		171	288	845	1,836	-	-	-	-
Receivables		959	81	2,517	770	12	12	6,484	29
Accrued income		997	695	4,213	3,949	-	-	-	-
Due from brokers - receivable for securities sold		7	6	18,435	594	1,460	1,501	839	1,642
Financial assets at fair value through profit or loss	6	382,385	181,522	1,686,526	1,152,207	217,738	172,702	650,807	344,766
Total assets		388,621	184,525	1,729,866	1,171,875	219,405	174,322	658,587	346,720
Liabilities									
Distribution payable	10	1,979	1,499	20,775	18,194	1,803	1,841	3,098	2,058
Payables		1,425	59	26,950	4,453	48	39	200	107
Due to brokers - payables for securities purchased		42	7	264	-	-	-	4,811	-
Financial liabilities at fair value through profit or loss	7	-	18	13	42	-	-	-	-
Total liabilities		3,446	1,583	48,002	22,689	1,851	1,880	8,109	2,165
Net assets attributable to unitholders (equity)	9	385,175	182,942	1,681,864	1,149,186	217,554	172,442	650,478	344,555

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Assets							
Cash and cash equivalents	11	4,927	5,641	1,712	165	10,651	5,635
Margin accounts		661	1,696	48	23	796	770
Receivables		2,911	24,690	654	209	2,865	5,527
Accrued income		6,584	5,939	242	30	2,681	1,379
Due from brokers - receivable for securities sold		40,734	-	320	-	10,371	5,042
Financial assets at fair value through profit or loss	6	2,311,939	1,816,954	237,719	33,015	1,207,999	789,197
Total assets		2,367,756	1,854,920	240,695	33,442	1,235,363	807,550
Liabilities							
Distribution payable	10	21,186	18,446	1,142	169	12,858	30,906
Payables		44,530	812	58	102	15,355	979
Due to brokers - payables for securities purchased		395	16,087	458	-	-	-
Financial liabilities at fair value through profit or loss	7	111	170	-	-	80	8
Total liabilities		66,222	35,515	1,658	271	28,293	31,893
Net assets attributable to unitholders (equity)	9	2,301,534	1,819,405	-	-	-	-
Net assets attributable to unitholders (liability)	9	-	-	239,037	33,171	1,207,070	775,657

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

Balance sheets (continued)

As at 30 June 2021

	Notes	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	11	148	29	133,116	144,010	17,060	7,404
Margin accounts		26	26	8,448	18,509	1,163	1,205
Receivables		18	7	58,133	108,883	11,146	2,360
Accrued income		32	18	18,029	15,113	1,345	1,207
Due from brokers - receivable for securities sold		173	57	576,545	20	13,298	8,158
Financial assets at fair value through profit or loss	6	33,308	20,442	24,944,008	18,299,490	1,598,251	1,083,412
Total assets		33,705	20,579	25,738,279	18,586,025	1,642,263	1,103,746
Liabilities							
Distribution payable	10	195	110	552,706	587,529	48,724	18,523
Payables		10	5	472,353	103,837	29,533	11,725
Due to brokers - payables for securities purchased		-	-	77	-	-	21
Financial liabilities at fair value through profit or loss	7	-	-	379	214	12	10
Total liabilities		205	115	1,025,515	691,580	78,269	30,279
Net assets attributable to unitholders (liability)	9	33,500	20,464	24,712,764	17,894,445	1,563,994	1,073,467

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

Statements of changes in equity

For the year ended 30 June 2021

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Total equity at the beginning of the financial year		182,942	167,630	1,149,186	1,270,564	172,442	236,287	344,555	315,501
Comprehensive income for the year									
Profit/(loss) for the year		62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Transactions with unitholders									
Applications		143,762	29,766	403,747	345,274	80,467	23,762	225,818	60,100
Redemptions		-	(15,120)	(205,689)	(424,648)	(73,159)	(65,372)	(21,759)	(10,571)
Units issued upon reinvestment of distributions		718	721	29,070	45,655	266	269	899	1,038
Distributions paid and payable	10	(4,797)	(4,931)	(42,553)	(60,926)	(4,320)	(5,257)	(8,510)	(9,874)
Total transactions with unitholders		139,683	10,436	184,575	(94,645)	3,254	(46,598)	196,448	40,693
Total equity at the end of the financial year		385,175	182,942	1,681,864	1,149,186	217,554	172,442	650,478	344,555

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund			
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000		
Total equity at the beginning of the financial year				1,819,405	1,887,309	-	-	-	-
Comprehensive income for the year									
Profit/(loss) for the year				452,248	(289,746)	-	-	-	-
Other comprehensive income				-	-	-	-	-	-
Total comprehensive income for the year				452,248	(289,746)	-	-	-	-
Transactions with unitholders									
Applications				538,576	722,614	-	-	-	-
Redemptions				(491,306)	(470,815)	-	-	-	-
Units issued upon reinvestment of distributions				41,664	68,901	-	-	-	-
Distributions paid and payable	10			(59,053)	(98,858)	-	-	-	-
Total transactions with unitholders				29,881	221,842	-	-	-	-
Total equity at the end of the financial year				2,301,534	1,819,405	-	-	-	-

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

Statements of changes in equity (continued)

For the year ended 30 June 2021

	Notes	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'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		-	-	-	-	-	-

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 2021

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		22,360	29,699	146,118	363,656	77,824	72,173	28,903	18,849
Purchases of financial instruments at fair value through profit or loss		(163,752)	(42,583)	(364,943)	(291,741)	(84,686)	(28,021)	(226,842)	(67,805)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(67)	(27)	(240)	(299)	(2)	(1)	(6)	(4)
Interest received		-	1	-	46	-	-	-	-
Dividends received		4,996	4,202	29,053	40,274	-	-	-	-
Distributions received		105	78	240	332	4,705	4,684	8,876	9,195
Other income received		416	156	95	383	6	6	84	15
Responsible Entity's fees paid		(1,067)	(707)	(8,324)	(6,240)	(520)	(637)	(1,737)	(1,316)
Operating expenses paid		(224)	(273)	(650)	(2,658)	(8)	(11)	(31)	(5)
Net cash inflow/(outflow) from operating activities	12(a)	(137,233)	(9,454)	(198,651)	103,753	(2,681)	48,193	(190,753)	(41,071)
Cash flows from financing activities									
Proceeds from applications by unitholders		142,927	29,766	402,375	345,300	80,467	23,762	219,383	60,100
Payments for redemptions by unitholders		-	(15,120)	(188,237)	(428,391)	(73,159)	(65,372)	(21,759)	(10,571)
Distributions paid from operating activities		(3,599)	(4,158)	(10,902)	(16,796)	(4,092)	(6,743)	(6,571)	(8,515)
Net cash inflow/(outflow) from financing activities		139,328	10,488	203,236	(99,887)	3,216	(48,353)	191,053	41,014
Net increase/(decrease) in cash and cash equivalents		2,095	1,034	4,585	3,866	535	(160)	300	(57)
Cash and cash equivalents at the beginning of the year		1,933	614	12,519	10,683	107	334	283	373
Effects of foreign currency exchange rate changes on cash and cash equivalents		74	285	226	(2,030)	(447)	(67)	(126)	(33)
Cash and cash equivalents at the end of the year	11	4,102	1,933	17,330	12,519	195	107	457	283
Non-cash financing activities	12(b)	718	721	29,070	45,655	266	269	899	1,038

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 2021

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		384,838	394,637	37,508	15,246	111,635	267,707
Purchases of financial instruments at fair value through profit or loss		(540,498)	(672,440)	(209,410)	(32,998)	(454,731)	(430,642)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(112)	(135)	(33)	(12)	(56)	(67)
Interest received		-	5	-	-	1	3
Dividends received		9,673	6,148	1,945	702	22,338	20,082
Distributions received		53,496	59,075	19	15	2,538	1,924
Other income received		1,655	348	134	43	284	120
Responsible Entity's fees paid		(7,839)	(8,332)	(215)	(85)	(5,026)	(3,688)
Operating expenses paid		(536)	(1,034)	(138)	(44)	(224)	(277)
Net cash inflow/(outflow) from operating activities	12(a)	(99,323)	(221,728)	(170,190)	(17,133)	(323,241)	(144,838)
Cash flows from financing activities							
Proceeds from applications by unitholders		560,890	708,276	175,642	20,764	552,306	539,811
Payments for redemptions by unitholders		(447,754)	(470,956)	(2,918)	(3,093)	(203,781)	(375,298)
Distributions paid from operating activities		(14,649)	(28,069)	(745)	(840)	(20,932)	(22,567)
Net cash inflow/(outflow) from financing activities		98,487	209,251	171,979	16,831	327,593	141,946
Net increase/(decrease) in cash and cash equivalents		(836)	(12,477)	1,789	(302)	4,352	(2,892)
Cash and cash equivalents at the beginning of the year		5,641	19,595	165	528	5,635	10,152
Effects of foreign currency exchange rate changes on cash and cash equivalents		122	(1,477)	(242)	(61)	664	(1,625)
Cash and cash equivalents at the end of the year	11	4,927	5,641	1,712	165	10,651	5,635
Non-cash financing activities	12(b)	41,664	68,901	81	263	31,776	27,183

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 2021

	Notes	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		18,138	18,794	1,567,590	2,434,207	304,544	253,746
Purchases of financial instruments at fair value through profit or loss		(24,359)	(26,021)	(3,715,232)	(3,339,133)	(390,873)	(475,319)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(6)	(7)	(428)	(436)	(71)	(85)
Interest received		-	-	-	214	1	-
Dividends received		464	373	340,159	355,232	15,552	13,420
Distributions received		3	7	11,016	13,811	4,003	3,896
Other income received		8	5	1,143	2,620	1,322	1,012
Responsible Entity's fees paid		(76)	(63)	(37,656)	(33,164)	(4,980)	(4,303)
Operating expenses paid		(32)	(38)	(1,819)	(6,413)	(396)	(563)
Net cash inflow/(outflow) from operating activities	12(a)	(5,860)	(6,950)	(1,835,227)	(573,062)	(70,898)	(208,196)
Cash flows from financing activities							
Proceeds from applications by unitholders		8,669	7,700	5,893,664	4,638,581	324,218	388,823
Payments for redemptions by unitholders		(2,605)	(706)	(3,759,050)	(3,774,550)	(232,003)	(174,835)
Distributions paid from operating activities		(95)	(45)	(299,175)	(224,440)	(11,712)	(6,229)
Net cash inflow/(outflow) from financing activities		5,969	6,949	1,835,439	639,591	80,503	207,759
Net increase/(decrease) in cash and cash equivalents		109	(1)	212	66,529	9,605	(437)
Cash and cash equivalents at the beginning of the year		29	66	144,010	86,110	7,404	7,437
Effects of foreign currency exchange rate changes on cash and cash equivalents		10	(36)	(11,106)	(8,629)	51	404
Cash and cash equivalents at the end of the year	11	148	29	133,116	144,010	17,060	7,404
Non-cash financing activities	12(b)	211	219	780,628	543,906	67,370	61,864

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 2021

1 General information

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

- Vanguard FTSE Asia ex Japan Shares Index ETF 28 May 2015
- Vanguard Emerging Markets Shares Index Fund 6 December 1996
- Vanguard FTSE Europe Shares ETF 28 May 2015
- Vanguard FTSE Emerging Markets Shares ETF 17 December 2010
- Vanguard International Property Securities Index Fund 27 June 2005
- Vanguard Global Value Equity Fund 10 June 2016
- Vanguard Global Infrastructure Index Fund 26 October 2007
- Vanguard Global Multi-Factor Fund 12 December 2018
- Vanguard International Shares Index Fund 6 December 1996
- Vanguard International Small Companies Index Fund 9 August 2007

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

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

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

The financial statements were authorised for issue by the directors on 9 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 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 2021 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 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(b) Financial instruments

(i) Classification

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

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

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

(iv) Offsetting financial instruments

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders

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

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

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

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

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

(d) Cash and cash equivalents

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

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

(e) Margin accounts

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

(f) Investment income

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

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

(g) Expenses

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

2 Summary of significant accounting policies (continued)

(h) Income tax

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

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

(i) Distributions

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

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

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

(k) Functional and presentation currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(l) Due from/to brokers

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

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

(m) Receivables and accrued income

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

2 Summary of significant accounting policies (continued)

(n) Payables

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

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

(o) Applications and redemptions

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

(p) Goods and Services Tax (GST)

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

(q) Comparative revisions

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

(r) Use of estimates

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

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

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

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

(s) Investment entity exception

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

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

2 Summary of significant accounting policies (continued)

(t) Securities lending arrangements

The Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard International Property Securities Index Fund, Vanguard Global Value Equity Fund, Vanguard Global Infrastructure Index Fund, Vanguard Global Multi-Factor Fund, Vanguard International Shares Index Fund and Vanguard International Small Companies 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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Derivative assets	8	1	7	5	-	-	-	-
Equity securities	379,090	179,750	1,673,038	1,144,498	-	-	-	-
Listed unit trusts	3,285	1,771	13,471	7,704	217,738	172,702	650,807	344,766
Derivative liabilities	-	(18)	(9)	(42)	-	-	-	-
Net total	382,383	181,504	1,686,507	1,152,165	217,738	172,702	650,807	344,766

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Derivative assets	-	36	15	2	-	47
Equity securities	262,789	261,857	237,510	32,546	1,056,942	683,473
Listed unit trusts	2,049,150	1,555,048	194	467	151,057	105,677
Derivative liabilities	(109)	(154)	-	-	(80)	-
Net total	2,311,830	1,816,787	237,719	33,015	1,207,919	789,197

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Derivative assets	2	-	926	155	1	65
Equity securities	33,306	20,364	24,411,974	17,873,391	1,468,735	989,508
Listed unit trusts	-	78	530,941	425,943	129,512	93,839
Derivative liabilities	-	-	(376)	-	(9)	-
Net total	33,308	20,442	24,943,465	18,299,489	1,598,239	1,083,412

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

(ii) Foreign exchange risk

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

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

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

	Vanguard FTSE Asia ex Japan Shares Index ETF									
	30 Jun 2021					30 Jun 2020				
	Hong Kong Dollar A\$'000	Taiwan New Dollar A\$'000	Korean Won A\$'000	Indian Rupee A\$'000	Other currencies A\$'000	Hong Kong Dollar A\$'000	Taiwan New Dollar A\$'000	Korean Won A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	266	10	46	676	2,959	21	10	11	1,600	148
Margin accounts	-	-	-	-	171	-	-	-	288	-
Receivables	-	20	67	-	3	-	64	-	-	-
Accrued income	672	147	83	51	44	420	132	63	-	80
Due from brokers - receivable for securities sold	6	-	-	-	1	6	-	-	-	-
Financial assets at fair value through profit or loss	138,613	60,526	56,686	46,357	80,203	63,296	24,538	22,944	23,665	47,079
Total assets	139,557	60,703	56,882	47,084	83,381	63,743	24,744	23,018	25,553	47,307
Liabilities										
Payables	-	-	-	1,302	-	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	25	10	7	7	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	18	-
Total liabilities	-	-	25	1,312	7	7	-	-	18	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	-
- Sell foreign currency	-	-	-	-	(300)	-	-	-	(1,000)	-
Net exposure including foreign currency forward contracts	139,557	60,703	56,857	45,772	83,074	63,736	24,744	23,018	24,535	47,307

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Emerging Markets Shares Index Fund										
	30 Jun 2021					30 Jun 2020				
	Indian Rupee A\$'000	Hong Kong Dollar A\$'000	Korean Won A\$'000	Taiwan New Dollar A\$'000	Other currencies A\$'000	US Dollar A\$'000	Hong Kong Dollar A\$'000	Korean Won A\$'000	Taiwan New Dollar A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	3,302	70	83	71	12,365	9,395	317	253	73	1,111
Margin accounts	-	-	-	-	845	1,836	-	-	-	-
Receivables	-	-	318	357	105	-	-	-	439	74
Accrued income	187	2,505	344	569	608	36	2,139	371	725	678
Due from brokers - receivable for securities sold	2,294	5,378	2,112	2,998	5,653	551	41	-	-	2
Financial assets at fair value through profit or loss	166,881	441,937	223,524	234,655	619,529	179,305	274,903	133,650	141,411	422,938
Total assets	172,664	449,890	226,381	238,650	639,105	191,123	277,400	134,274	142,648	424,803
Liabilities										
Payables	5,359	-	-	-	-	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	148	-	116	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	13	42	-	-	-	-
Total liabilities	5,359	-	148	-	129	42	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	147	-	11,900	2,429	-	-	-	-
- Sell foreign currency	-	(5,832)	(2,071)	-	(28,445)	(5,500)	(2,429)	-	-	-
Net exposure including foreign currency forward contracts										
	167,305	444,058	224,309	238,650	622,431	188,010	274,971	134,274	142,648	424,803

Vanguard FTSE Europe Shares ETF										
	30 Jun 2021					30 Jun 2020				
	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	10	-	-	-	-	90	-	-	-	-
Due from brokers - receivable for securities sold	1,460	-	-	-	-	1,501	-	-	-	-
Financial assets at fair value through profit or loss	217,738	-	-	-	-	172,702	-	-	-	-
Total assets	219,208	-	-	-	-	174,293	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	-
- Sell foreign currency	-	-	-	-	-	(1,520)	-	-	-	-
Net exposure including foreign currency forward contracts										
	219,208	-	-	-	-	172,773	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	30 Jun 2021					30 Jun 2020				
	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
Vanguard FTSE Emerging Markets Shares ETF										
Assets										
Cash and cash equivalents	209	-	-	-	-	115	-	-	-	-
Due from brokers - receivable for securities sold	839	-	-	-	-	1,642	-	-	-	-
Financial assets at fair value through profit or loss	650,807	-	-	-	-	344,766	-	-	-	-
Total assets	651,855	-	-	-	-	346,523	-	-	-	-
Liabilities										
Due to brokers - payable for securities purchased	4,811	-	-	-	-	-	-	-	-	-
Total liabilities	4,811	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	4,811	-	-	-	-	-	-	-	-	-
- Sell foreign currency	(799)	-	-	-	-	(1,631)	-	-	-	-
Net exposure including foreign currency forward contracts	651,056	-	-	-	-	344,892	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Property Securities Index Fund										
	30 Jun 2021					30 Jun 2020				
	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	2,113	477	500	14	120	2,815	222	191	285	394
Margin accounts	491	86	54	21	9	1,081	328	121	24	142
Receivables	-	273	1,587	-	304	-	181	1,337	-	148
Accrued income	4,145	366	160	1,017	896	3,750	171	127	1,065	826
Due from brokers - receivable for securities sold	26,814	1,788	3,886	3,088	5,158	-	-	-	-	-
Financial assets at fair value through profit or loss	1,489,220	118,037	220,792	188,533	295,357	1,118,774	91,853	192,329	180,048	233,950
Total assets	1,522,783	121,027	226,979	192,673	301,844	1,126,420	92,755	194,105	181,422	235,460
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	90	305	9,193	1,021	1,580	1,879	2,414
Financial liabilities at fair value through profit or loss	111	-	-	-	-	108	40	16	6	-
Total liabilities	111	-	-	90	305	9,301	1,061	1,596	1,885	2,414
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	12,923	-	72	-	486	20,971	3,944	1,571	1,616	2,382
- Sell foreign currency	(41,957)	(2,273)	(4,423)	(3,084)	(3,143)	(9,513)	-	(1,971)	-	-
Net exposure including foreign currency forward contracts	1,493,638	118,754	222,628	189,499	298,882	1,128,577	95,638	192,109	181,153	235,428

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard Global Value Equity Fund									
	30 Jun 2021					30 Jun 2020				
	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	1,225	11	21	92	71	18	1	22	17	41
Margin accounts	48	-	-	-	-	23	-	-	-	-
Receivables	1	1	53	-	18	-	-	11	-	3
Accrued income	110	62	10	25	34	18	-	2	3	7
Due from brokers - receivable for securities sold	320	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	153,059	12,290	24,257	18,116	28,896	21,084	1,603	3,775	2,794	3,642
Total assets	154,763	12,364	24,341	18,233	29,019	21,143	1,604	3,810	2,814	3,693
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	284	174	-	-	-	-	-
Total liabilities	-	-	-	284	174	-	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	197	173	-	-	-	-	-
- Sell foreign currency	(197)	-	-	-	-	-	-	-	-	-
Net exposure including foreign currency forward contracts										
	154,566	12,364	24,341	18,146	29,018	21,143	1,604	3,810	2,814	3,693

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Infrastructure Index Fund										
	30 Jun 2021					30 Jun 2020				
	US Dollar A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	6,684	1,760	826	605	191	1,900	999	383	123	226
Margin accounts	466	170	118	42	-	431	187	121	31	-
Receivables	-	-	117	-	30	-	-	73	-	23
Accrued income	578	399	163	2	1,182	535	271	135	2	226
Due from brokers - receivable for securities sold	6,119	1,190	464	454	588	3,348	757	233	293	252
Financial assets at fair value through profit or loss	811,063	160,302	70,845	61,134	76,106	525,875	100,750	41,147	49,335	50,462
Total assets	824,910	163,821	72,533	62,237	78,097	532,089	102,964	42,092	49,784	51,189
Liabilities										
Financial liabilities at fair value through profit or loss	73	2	5	-	-	-	-	-	-	-
Total liabilities	73	2	5	-	-	-	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	5,115	-	-	-	-	3,256	-	-	-	-
- Sell foreign currency	(14,000)	(2,807)	(1,258)	(459)	(591)	(6,500)	(1,066)	(489)	-	-
Net exposure including foreign currency forward contracts										
	815,952	161,012	71,270	61,778	77,506	528,845	101,898	41,603	49,784	51,189

Vanguard Global Multi-Factor Fund										
	30 Jun 2021					30 Jun 2020				
	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	68	10	7	13	31	25	1	4	1	8
Margin accounts	26	-	-	-	-	26	-	-	-	-
Receivables	-	-	6	-	8	-	-	2	-	3
Accrued income	15	4	-	3	9	11	2	-	1	3
Due from brokers - receivable for securities sold	173	-	-	-	-	-	-	-	-	57
Financial assets at fair value through profit or loss	21,664	1,556	1,961	2,569	5,182	13,106	949	1,369	1,772	2,964
Total assets	21,946	1,570	1,974	2,585	5,230	13,168	952	1,375	1,774	3,035
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	87	-	-	-	-	55	-	-	-	-
- Sell foreign currency	(245)	-	-	-	-	(73)	-	-	-	(55)
Net exposure including foreign currency forward contracts										
	21,788	1,570	1,974	2,585	5,230	13,150	952	1,375	1,774	2,980

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard International Shares Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	70,296	2,062	3,652	11,388	4,466	85,680	3,663	21	10,482	10,202
Margin accounts	5,245	656	1,770	445	333	11,490	913	4,597	491	1,018
Receivables	420	(40)	11,589	-	18,089	1	17	10,694	-	15,495
Accrued income	8,714	3,262	1,489	2,008	2,548	8,532	1,203	1,939	1,829	1,610
Due from brokers - receivable for securities sold	400,765	23,090	57,907	37,160	57,571	20	-	-	-	-
Financial assets at fair value through profit or loss	17,217,543	1,041,094	2,510,011	1,727,675	2,447,519	12,291,337	825,811	1,869,253	1,486,666	1,826,422
Total assets	17,702,983	1,070,124	2,586,418	1,778,676	2,530,526	12,397,060	831,607	1,886,504	1,499,468	1,854,747
Liabilities										
Payables	-	-	-	-	-	1	-	1	-	1
Due to brokers - payable for securities purchased	-	-	-	25	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	1	63	221	68	26	77	-	-	-	-
Total liabilities	1	63	221	93	26	78	-	1	-	1
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	167,549	-	-	-	-	51,386	-	-	-	-
- Sell foreign currency	(535,000)	(22,081)	(60,025)	(36,003)	(49,440)	(160,000)	(3,230)	-	(9,962)	(8,194)
Net exposure including foreign currency forward contracts	17,335,531	1,047,980	2,526,172	1,742,580	2,481,060	12,288,368	828,377	1,886,503	1,489,506	1,846,552

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Small Companies Index Fund										
	30 Jun 2021					30 Jun 2020				
	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	9,593	117	1,975	1,003	411	1,981	39	1,146	1,002	641
Margin accounts	772	-	253	73	65	721	-	382	54	48
Receivables	1	36	433	-	275	1	10	297	-	217
Accrued income	639	183	77	296	149	589	82	134	254	148
Due from brokers - receivable for securities sold	9,382	805	739	1,131	1,241	5,320	672	660	630	876
Financial assets at fair value through profit or loss	993,148	106,719	126,238	170,663	201,484	646,394	71,941	91,321	135,996	137,760
Total assets	1,013,535	107,860	129,715	173,166	203,625	655,006	72,744	93,940	137,936	139,690
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-	-	21
Financial liabilities at fair value through profit or loss	9	-	2	1	-	1	-	-	-	-
Total liabilities	9	-	2	1	-	1	-	-	-	21
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	8,746	-	634	-	58	7,460	-	492	-	-
- Sell foreign currency	(25,692)	(736)	(2,369)	(1,800)	(840)	(11,992)	(679)	(2,284)	(1,616)	(881)
Net exposure including foreign currency forward contracts	996,580	107,124	127,978	171,365	202,843	650,473	72,065	92,148	136,320	138,788

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

(iii) Cash flow and fair value interest rate risk

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

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.

The Funds have revised the assumptions used to determine their sensitivity to price risk compared to the comparative period as a result of increases in market volatility in the recent period. Price risk movement represents the range of historical index returns from the average return based on the minimum suggested investment time frames indicated within the Funds' respective PDS minus one standard deviation to average return plus one standard deviation. The Funds have not made any other changes to the methods used to determine its sensitivity to the market risk compared to the comparative period.

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

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

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Emerging Markets Shares Index Fund												
Price risk		Foreign exchange risk										
		US Dollar		Hong Kong Dollar		Korean Won		Taiwan New Dollar		Other currencies		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	High
	-4%	+5%	-3%	+19%	-4%	+19%	-3%	+13%	-8%	+16%	-4%	+17%
30 Jun 2020	(46,086)	57,608	(355)	2,245	(100)	474	(19)	81	(99)	198	(75)	317

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Impact on operating profit/(loss) and net assets attributable to unitholders							
	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	Price risk		Foreign exchange risk		Price risk		Foreign exchange risk	
	\$'000	\$'000	US Dollar		\$'000	\$'000	US Dollar	
	Low	High	Low	High	Low	High	Low	High
30 Jun 2021	-3%	+4%	-6%	+8%	-2%	+4%	-6%	+8%
	(6,532)	8,710	(88)	118	(13,016)	26,032	226	(301)
30 Jun 2020	-3%	+4%	-3%	+19%	-2%	+4%	-3%	+19%
	(5,181)	6,908	(48)	302	(6,895)	13,791	(53)	334

	Impact on operating profit/(loss) and net assets attributable to unitholders											
	Vanguard International Property Securities Index Fund											
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
30 Jun 2021	-3%	+5%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-5%	+5%
	(69,356)	115,592	(2,014)	2,685	(179)	-	(247)	309	(122)	486	(309)	309
30 Jun 2020	-4%	+5%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
	(72,671)	90,839	46	(294)	2	(14)	(5)	29	15	(91)	36	(154)

	Impact on operating profit/(loss) and net assets attributable to unitholders											
	Vanguard Global Value Equity Fund											
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
30 Jun 2021	-2%	+4%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-5%	+5%
	(4,754)	9,509	(102)	136	(4)	-	(3)	4	5	(20)	2	(2)
30 Jun 2020	-2%	+4%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
	(660)	1,321	(2)	11	-	-	(1)	6	(1)	4	(2)	9

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Infrastructure Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		Canadian Dollar		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+8%	-7%	+1%	-4%	+5%	-3%	+12%	-6%	+4%	
30 Jun 2021	(24,158)	48,317	(831)	1,108	(246)	35	(68)	84	(33)	132	(119)	80	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Multi-Factor Fund													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-5%	+5%	
30 Jun 2021	(666)	1,332	(17)	23	(1)	-	-	1	-	2	(2)	2	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Shares Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-6%	+6%	
30 Jun 2021	(498,869)	997,739	(29,126)	38,835	(1,742)	-	(3,056)	3,820	(1,529)	6,117	(4,980)	4,980	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Shares Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	+4%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%	
30 Jun 2020	(548,985)	731,980	(3,169)	20,073	(116)	754	(517)	2,760	(384)	2,304	(1,133)	4,815	

Notes to the financial statements (continued)

For the year ended 30 June 2021

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												
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%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-5%	+5%
30 Jun 2021	(47,947)	79,913	(1,223)	1,631	(68)	-	(139)	174	(75)	300	(107)	107
		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	(32,502)	54,170	(258)	1,636	(16)	104	(79)	419	(58)	349	(76)	325

(c) Credit risk

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

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

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. There were no significant concentrations of credit risk to counterparties at 30 June 2021 or 30 June 2020.

(i) Derivatives

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

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

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

(ii) Settlement of securities transactions

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(c) Credit risk (continued)

(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 2021 had a credit rating of A-1 (30 June 2020: A-1). At 30 June 2021, 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.

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

Vanguard FTSE Asia ex Japan Shares Index ETF										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	18	-	-	18
Distribution payable	1,979	-	-	-	1,979	1,499	-	-	-	1,499
Payables	1,425	-	-	-	1,425	59	-	-	-	59
Due to brokers - payables for securities purchased	42	-	-	-	42	7	-	-	-	7
Total liabilities	3,446	-	-	-	3,446	1,565	18	-	-	1,583

Vanguard Emerging Markets Shares Index Fund										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities at fair value through profit or loss	4	9	-	-	13	-	42	-	-	42
Distribution payable	20,775	-	-	-	20,775	18,194	-	-	-	18,194
Payables	26,950	-	-	-	26,950	4,453	-	-	-	4,453
Due to brokers - payables for securities purchased	264	-	-	-	264	-	-	-	-	-
Total liabilities	47,993	9	-	-	48,002	22,647	42	-	-	22,689

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard FTSE Europe Shares ETF										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	1,803	-	-	-	1,803	1,841	-	-	-	1,841
Payables	48	-	-	-	48	39	-	-	-	39
Total liabilities	1,851	-	-	-	1,851	1,880	-	-	-	1,880

Vanguard FTSE Emerging Markets Shares ETF										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	3,098	-	-	-	3,098	2,058	-	-	-	2,058
Payables	200	-	-	-	200	107	-	-	-	107
Due to brokers - payables for securities purchased	4,811	-	-	-	4,811	-	-	-	-	-
Total liabilities	8,109	-	-	-	8,109	2,165	-	-	-	2,165

Vanguard International Property Securities Index Fund										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities at fair value through profit or loss	2	109	-	-	111	16	154	-	-	170
Distribution payable	21,186	-	-	-	21,186	18,446	-	-	-	18,446
Payables	44,530	-	-	-	44,530	812	-	-	-	812
Due to brokers - payables for securities purchased	395	-	-	-	395	16,087	-	-	-	16,087
Total liabilities	66,113	109	-	-	66,222	35,361	154	-	-	35,515

Vanguard Global Value Equity Fund										
	30 Jun 2021					30 Jun 2020				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	1,142	-	-	-	1,142	169	-	-	-	169
Payables	58	-	-	-	58	102	-	-	-	102
Due to brokers - payables for securities purchased	458	-	-	-	458	-	-	-	-	-
Net assets attributable to unitholders	239,037	-	-	-	239,037	33,171	-	-	-	33,171
Total liabilities	240,695	-	-	-	240,695	33,442	-	-	-	33,442

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard Global Infrastructure Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	-	80	-	-	80	8	-	-	-	8
Distribution payable	12,858	-	-	-	12,858	30,906	-	-	-	30,906
Payables	15,355	-	-	-	15,355	979	-	-	-	979
Net assets attributable to unitholders	1,207,070	-	-	-	1,207,070	775,657	-	-	-	775,657
Total liabilities	1,235,283	80	-	-	1,235,363	807,550	-	-	-	807,550

	Vanguard Global Multi-Factor Fund									
	30 Jun 2021					30 Jun 2020				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	195	-	-	-	195	110	-	-	-	110
Payables	10	-	-	-	10	5	-	-	-	5
Net assets attributable to unitholders	33,500	-	-	-	33,500	20,464	-	-	-	20,464
Total liabilities	33,705	-	-	-	33,705	20,579	-	-	-	20,579

	Vanguard International Shares Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	376	-	-	379	214	-	-	-	214
Distribution payable	552,706	-	-	-	552,706	587,529	-	-	-	587,529
Payables	472,353	-	-	-	472,353	103,837	-	-	-	103,837
Due to brokers - payables for securities purchased	77	-	-	-	77	-	-	-	-	-
Net assets attributable to unitholders	24,712,764	-	-	-	24,712,764	17,894,445	-	-	-	17,894,445
Total liabilities	25,737,903	376	-	-	25,738,279	18,586,025	-	-	-	18,586,025

	Vanguard International Small Companies Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	9	-	-	12	10	-	-	-	10
Distribution payable	48,724	-	-	-	48,724	18,523	-	-	-	18,523
Payables	29,533	-	-	-	29,533	11,725	-	-	-	11,725
Due to brokers - payables for securities purchased	-	-	-	-	-	21	-	-	-	21
Net assets attributable to unitholders	1,563,994	-	-	-	1,563,994	1,073,467	-	-	-	1,073,467
Total liabilities	1,642,254	9	-	-	1,642,263	1,103,746	-	-	-	1,103,746

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.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

	Vanguard FTSE Asia ex Japan Shares Index ETF									
	30 Jun 2021					30 Jun 2020				
	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	300	-	-	-	300	1,000	-	-	-	1,000
(Outflows)	(300)	-	-	-	(300)	(1,000)	-	-	-	(1,000)
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard Emerging Markets Shares Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	36,347	-	-	-	36,347	7,929	-	-	-	7,929
(Outflows)	(36,349)	-	-	-	(36,349)	(7,929)	-	-	-	(7,929)
Net	(2)	-	-	-	(2)	-	-	-	-	-

	Vanguard FTSE Europe Shares ETF									
	30 Jun 2021					30 Jun 2020				
	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	-	-	-	-	-	1,520	-	-	-	1,520
(Outflows)	-	-	-	-	-	(1,520)	-	-	-	(1,520)
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard FTSE Emerging Markets Shares ETF									
	30 Jun 2021					30 Jun 2020				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	5,610	-	-	-	5,610	1,631	-	-	-	1,631
(Outflows)	(5,610)	-	-	-	(5,610)	(1,631)	-	-	-	(1,631)
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard International Property Securities Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	54,878	-	-	-	54,878	30,459	-	-	-	30,459
(Outflows)	(54,881)	-	-	-	(54,881)	(30,462)	-	-	-	(30,462)
Net	(3)	-	-	-	(3)	(3)	-	-	-	(3)

Notes to the financial statements (continued)

For the year ended 30 June 2021

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

	Vanguard Global Value Equity Fund									
	30 Jun 2021					30 Jun 2020				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	372	-	-	-	372	-	-	-	-	-
(Outflows)	(371)	-	-	-	(371)	-	-	-	-	-
Net	1	-	-	-	1	-	-	-	-	-

	Vanguard Global Infrastructure Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	19,115	-	-	-	19,115	9,748	-	-	-	9,748
(Outflows)	(19,115)	-	-	-	(19,115)	(9,756)	-	-	-	(9,756)
Net	-	-	-	-	-	(8)	-	-	-	(8)

	Vanguard Global Multi-Factor Fund									
	30 Jun 2021					30 Jun 2020				
	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	332	-	-	-	332	128	-	-	-	128
(Outflows)	(332)	-	-	-	(332)	(128)	-	-	-	(128)
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard International Shares Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	702,549	-	-	-	702,549	211,249	-	-	-	211,249
(Outflows)	(702,386)	-	-	-	(702,386)	(211,462)	-	-	-	(211,462)
Net	163	-	-	-	163	(213)	-	-	-	(213)

	Vanguard International Small Companies Index Fund									
	30 Jun 2021					30 Jun 2020				
	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	34,438	-	-	-	34,438	19,440	-	-	-	19,440
(Outflows)	(34,438)	-	-	-	(34,438)	(19,450)	-	-	-	(19,450)
Net	-	-	-	-	-	(10)	-	-	-	(10)

Notes to the financial statements (continued)

For the year ended 30 June 2021

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:

- (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(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 2021

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 2021 and 30 June 2020.

Vanguard FTSE Asia ex Japan Shares Index ETF								
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	8	-	-	8	-	1	-	1
Equity securities	378,814	-	276	379,090	179,545	205	-	179,750
Listed unit trusts	3,285	-	-	3,285	1,771	-	-	1,771
Fixed interest securities	-	2	-	2	-	-	-	-
Total	382,107	2	276	382,385	181,316	206	-	181,522
Financial liabilities at fair value through profit or loss								
Derivatives	-	-	-	-	18	-	-	18
Total	-	-	-	-	18	-	-	18

Vanguard Emerging Markets Shares Index Fund								
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	-	8	-	8	-	5	-	5
Equity securities	1,672,099	-	939	1,673,038	1,144,436	62	-	1,144,498
Listed unit trusts	13,441	-	30	13,471	7,704	-	-	7,704
Fixed interest securities	-	9	-	9	-	-	-	-
Total	1,685,540	17	969	1,686,526	1,152,140	67	-	1,152,207
Financial liabilities at fair value through profit or loss								
Derivatives	9	4	-	13	42	-	-	42
Total	9	4	-	13	42	-	-	42

Vanguard FTSE Europe Shares ETF								
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Listed unit trusts	217,738	-	-	217,738	172,702	-	-	172,702
Total	217,738	-	-	217,738	172,702	-	-	172,702

Vanguard FTSE Emerging Markets Shares ETF								
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Listed unit trusts	650,807	-	-	650,807	344,766	-	-	344,766
Total	650,807	-	-	650,807	344,766	-	-	344,766

Notes to the financial statements (continued)

For the year ended 30 June 2021

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Property Securities Index Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	-	-	-	-	36	13	-	49
Equity securities	262,789	-	-	262,789	261,857	-	-	261,857
Listed unit trusts	2,049,150	-	-	2,049,150	1,555,048	-	-	1,555,048
Total	2,311,939	-	-	2,311,939	1,816,941	13	-	1,816,954
Financial liabilities at fair value through profit or loss								
Derivatives	109	2	-	111	154	16	-	170
Total	109	2	-	111	154	16	-	170

	Vanguard Global Value Equity Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	15	-	-	15	2	-	-	2
Equity securities	237,510	-	-	237,510	32,546	-	-	32,546
Listed unit trusts	194	-	-	194	467	-	-	467
Total	237,719	-	-	237,719	33,015	-	-	33,015

	Vanguard Global Infrastructure Index Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	-	-	-	-	47	-	-	47
Equity securities	1,056,942	-	-	1,056,942	683,429	44	-	683,473
Listed unit trusts	151,057	-	-	151,057	105,677	-	-	105,677
Total	1,207,999	-	-	1,207,999	789,153	44	-	789,197
Financial liabilities at fair value through profit or loss								
Derivatives	80	-	-	80	-	8	-	8
Total	80	-	-	80	-	8	-	8

	Vanguard Global Multi-Factor Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	2	-	-	2	-	-	-	-
Equity securities	33,306	-	-	33,306	20,364	-	-	20,364
Listed unit trusts	-	-	-	-	78	-	-	78
Total	33,308	-	-	33,308	20,442	-	-	20,442

Notes to the financial statements (continued)

For the year ended 30 June 2021

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Shares Index Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	926	167	-	1,093	155	1	-	156
Equity securities	24,411,972	-	2	24,411,974	17,873,389	2	-	17,873,391
Listed unit trusts	530,941	-	-	530,941	425,943	-	-	425,943
Total	24,943,839	167	2	24,944,008	18,299,487	3	-	18,299,490
Financial liabilities at fair value through profit or loss								
Derivatives	376	3	-	379	-	214	-	214
Total	376	3	-	379	-	214	-	214

	Vanguard International Small Companies Index Fund							
	30 Jun 2021				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
Financial assets at fair value through profit or loss								
Derivatives	-	4	-	4	57	8	-	65
Equity securities	1,468,626	-	109	1,468,735	989,315	193	-	989,508
Listed unit trusts	129,488	-	24	129,512	93,813	26	-	93,839
Total	1,598,114	4	133	1,598,251	1,083,185	227	-	1,083,412
Financial liabilities at fair value through profit or loss								
Derivatives	9	3	-	12	-	10	-	10
Total	9	3	-	12	-	10	-	10

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 table presents the transfers between levels during the year ended 30 June 2021 and 30 June 2020:

	Vanguard FTSE Asia ex Japan Shares Index ETF			Vanguard Emerging Markets Shares Index Fund			Vanguard Global Infrastructure Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30 Jun 2021									
Transfers between level 1 and 2:									
Equity securities	-	-	-	-	-	-	-	-	-
Transfers between level 1 and 3:									
Equity securities	(257)	-	257	(817)	-	817	-	-	-
Transfers between level 2 and 3:									
Equity securities	-	(20)	20	-	(60)	60	-	-	-
30 Jun 2020									
Transfers between level 1 and 2:									
Equity securities	(192)	192	-	-	-	-	(44)	44	-
Transfers between level 1 and 3:									
Equity securities	-	-	-	-	-	-	-	-	-
Transfers between level 2 and 3:									
Equity securities	-	-	-	-	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2021

4 Fair value measurement (continued)

Transfers between levels (continued)

30 Jun 2021	Vanguard International Shares Index Fund			Vanguard International Small Companies Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between level 1 and 2:						
Equity securities	-	-	-	-	-	-
Transfers between level 1 and 3:						
Equity securities	-	-	-	(9)	-	9
Transfers between level 2 and 3:						
Equity securities	-	(2)	2	-	(119)	119
30 Jun 2020						
Transfers between level 1 and 2:						
Equity securities	-	-	-	(18)	18	-
Transfers between level 1 and 3:						
Equity securities	-	-	-	-	-	-
Transfers between level 2 and 3:						
Equity securities	-	-	-	-	-	-

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

Valuation processes

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

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

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

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	57,313	(377)	311,628	(111,832)	32,445	(18,279)	99,190	(20,662)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	609	1,734	14,490	55,109	5,241	(3,020)	3,172	1,141
Total net gains/(losses) on financial instruments at fair value through profit or loss	57,922	1,357	326,118	(56,723)	37,686	(21,299)	102,362	(19,521)

Notes to the financial statements (continued)

For the year ended 30 June 2021

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

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	381,903	(373,692)	29,709	(5,199)	72,201	(78,278)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	12,994	29,443	2,738	(2,156)	9,032	34,995
Total net gains/(losses) on financial instruments at fair value through profit or loss	394,897	(344,249)	32,447	(7,355)	81,233	(43,283)

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	6,370	(477)	4,341,431	(112,238)	344,692	(94,744)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	401	(2,181)	710,188	592,999	88,986	40,367
Total net gains/(losses) on financial instruments at fair value through profit or loss	6,771	(2,658)	5,051,619	480,761	433,678	(54,377)

Notes to the financial statements (continued)

For the year ended 30 June 2021

6 Financial assets at fair value through profit or loss

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021 Fair value \$'000	30 Jun 2020 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2020 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2020 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2020 Fair value \$'000
Financial assets at fair value through profit or loss								
Derivatives	8	1	8	5	-	-	-	-
Equity securities	379,090	179,750	1,673,038	1,144,498	-	-	-	-
Listed unit trusts	3,285	1,771	13,471	7,704	217,738	172,702	650,807	344,766
Fixed interest securities	2	-	9	-	-	-	-	-
Total financial assets at fair value through profit or loss	382,385	181,522	1,686,526	1,152,207	217,738	172,702	650,807	344,766
Comprising:								
Derivatives								
Foreign currency forward contracts	-	-	1	-	-	-	-	-
International share price futures	8	-	-	-	-	-	-	-
International exchange traded options	-	1	-	5	-	-	-	-
International warrants	-	-	7	-	-	-	-	-
Total derivatives	8	1	8	5	-	-	-	-
Equity securities								
International equity securities	379,090	179,750	1,673,038	1,144,498	-	-	-	-
Total equity securities	379,090	179,750	1,673,038	1,144,498	-	-	-	-
Listed units trusts								
International listed trusts	3,285	1,771	13,471	7,704	217,738	172,702	650,807	344,766
Total listed unit trusts	3,285	1,771	13,471	7,704	217,738	172,702	650,807	344,766
Fixed interest securities								
International fixed interest securities	2	-	9	-	-	-	-	-
Total fixed interest securities	2	-	9	-	-	-	-	-
Total financial assets at fair value through profit or loss	382,385	181,522	1,686,526	1,152,207	217,738	172,702	650,807	344,766

Notes to the financial statements (continued)

For the year ended 30 June 2021

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

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	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	-	49	15	2	-	47
Equity securities	262,789	261,857	237,510	32,546	1,056,942	683,473
Listed unit trusts	2,049,150	1,555,048	194	467	151,057	105,677
Total financial assets at fair value through profit or loss	2,311,939	1,816,954	237,719	33,015	1,207,999	789,197
Comprising:						
Derivatives						
Foreign currency forward contracts	-	13	-	-	-	-
International share price futures	-	36	15	2	-	47
Total derivatives	-	49	15	2	-	47
Equity securities						
Australian equity securities	-	-	1,101	108	3,962	3,955
International equity securities	262,789	261,857	236,409	32,438	1,052,980	679,518
Total equity securities	262,789	261,857	237,510	32,546	1,056,942	683,473
Listed units trusts						
Australian listed trusts	-	-	-	9	24,587	17,673
International listed trusts	2,049,150	1,555,048	194	458	126,470	88,004
Total listed unit trusts	2,049,150	1,555,048	194	467	151,057	105,677
Total financial assets at fair value through profit or loss	2,311,939	1,816,954	237,719	33,015	1,207,999	789,197

Notes to the financial statements (continued)

For the year ended 30 June 2021

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

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	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	2	-	1,093	156	4	65
Equity securities	33,306	20,364	24,411,974	17,873,391	1,468,735	989,508
Listed unit trusts	-	78	530,941	425,943	129,512	93,839
Total financial assets at fair value through profit or loss	33,308	20,442	24,944,008	18,299,490	1,598,251	1,083,412
Comprising:						
Derivatives						
Foreign currency forward contracts	-	-	167	1	3	-
International share price futures	2	-	926	155	-	57
International exchange traded options	-	-	-	-	-	8
International warrants	-	-	-	-	1	-
Total derivatives	2	-	1,093	156	4	65
Equity securities						
Australian equity securities	376	276	-	-	-	-
International equity securities	32,930	20,088	24,411,974	17,873,391	1,468,735	989,508
Total equity securities	33,306	20,364	24,411,974	17,873,391	1,468,735	989,508
Listed units trusts						
Australian listed trusts	-	7	-	-	-	-
International listed trusts	-	71	530,941	425,943	129,512	93,839
Total listed unit trusts	-	78	530,941	425,943	129,512	93,839
Total financial assets at fair value through profit or loss	33,308	20,442	24,944,008	18,299,490	1,598,251	1,083,412

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

7 Financial liabilities at fair value through profit or loss

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	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	-	18	13	42	111	170
Total financial liabilities at fair value through profit or loss	-	18	13	42	111	170
Comprising:						
Derivatives						
Foreign currency forward contracts	-	-	4	-	2	16
International share price futures	-	18	9	42	109	154
Total derivatives	-	18	13	42	111	170
Total financial liabilities at fair value through profit or loss	-	18	13	42	111	170

Notes to the financial statements (continued)

For the year ended 30 June 2021

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

	Vanguard Global Infrastructure Index Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	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	80	8	379	214	12	10
Total financial liabilities at fair value through profit or loss	80	8	379	214	12	10
Comprising:						
Derivatives						
Foreign currency forward contracts	-	8	3	214	3	10
International share price futures	80	-	376	-	9	-
Total derivatives	80	8	379	214	12	10
Total financial liabilities at fair value through profit or loss	80	8	379	214	12	10

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

8 Derivative financial instruments

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

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

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

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

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

The Funds hold the following derivative instruments:

Forward currency contracts

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

Futures

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

8 Derivative financial instruments (continued)

Options

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

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

	Vanguard FTSE Asia ex Japan Shares Index ETF					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	300	-	-	1,000	-	-
International share price index futures	2,638	8	-	1,575	-	18
International exchange traded options	-	-	-	-	1	-
Total	2,938	8	-	2,575	1	18

	Vanguard Emerging Markets Shares Index Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	36,347	1	4	7,929	-	-
International share price index futures	6,822	-	9	9,735	-	42
International exchange traded options	-	-	-	-	5	-
International warrants	-	7	-	-	-	-
Total	43,169	8	13	17,664	5	42

	Vanguard FTSE Europe Shares ETF					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	-	-	-	1,520	-	-
Total	-	-	-	1,520	-	-

	Vanguard FTSE Emerging Markets Shares ETF					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	5,610	-	-	1,631	-	-
Total	5,610	-	-	1,631	-	-

	Vanguard International Property Securities Index Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	54,878	-	2	30,459	13	16
International share price index futures	4,388	-	109	14,327	36	154
Total	59,266	-	111	44,786	49	170

Notes to the financial statements (continued)

For the year ended 30 June 2021

8 Derivative financial instruments (continued)

	Vanguard Global Value Equity Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	372	-	-	-	-	-
International share price index futures	1,000	15	-	112	2	-
Total	1,372	15	-	112	2	-

	Vanguard Global Infrastructure Index Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	19,115	-	-	9,748	-	8
International share price index futures	6,131	-	80	4,999	47	-
Total	25,246	-	80	14,747	47	8

	Vanguard Global Multi-Factor Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	332	-	-	128	-	-
International share price index futures	143	2	-	-	-	-
Total	475	2	-	128	-	-

	Vanguard International Shares Index Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	702,549	167	3	211,249	1	214
International share price index futures	128,123	926	376	15,462	155	-
Total	830,672	1,093	379	226,711	156	214

	Vanguard International Small Companies Index Fund					
	2021			2020		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	34,438	3	3	19,440	-	10
International share price index futures	2,858	-	9	6,415	57	-
International exchange traded options	-	-	-	-	8	-
International warrants	-	1	-	-	-	-
Total	37,296	4	12	25,855	65	10

Risk exposures and fair value measurements

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

9 Net assets attributable to unitholders

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

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

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	2,776	2,550	182,942	167,630	572,541	589,413	1,149,186	1,270,564
Applications	1,855	440	143,762	29,766	174,186	161,838	403,747	345,274
Redemptions	-	(225)	-	(15,120)	(88,218)	(200,312)	(205,689)	(424,648)
Units issued upon reinvestment of distributions	10	11	718	721	13,900	21,602	29,070	45,655
Distributions paid and payable	-	-	(4,797)	(4,931)	-	-	(42,553)	(60,926)
Profit/(loss) for the year	-	-	62,550	4,876	-	-	348,103	(26,733)
Closing balance as at 30 June	4,641	2,776	385,175	182,942	672,409	572,541	1,681,864	1,149,186

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	3,310	4,210	172,442	236,287	5,395	4,665	344,555	315,501
Applications	1,385	405	80,467	23,762	3,020	875	225,818	60,100
Redemptions	(1,290)	(1,310)	(73,159)	(65,372)	(300)	(160)	(21,759)	(10,571)
Units issued upon reinvestment of distributions	5	5	266	269	13	15	899	1,038
Distributions paid and payable	-	-	(4,320)	(5,257)	-	-	(8,510)	(9,874)
Profit/(loss) for the year	-	-	41,858	(17,247)	-	-	109,475	(11,639)
Closing balance as at 30 June	3,410	3,310	217,554	172,442	8,128	5,395	650,478	344,555

	Vanguard International Property Securities Index Fund			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,896,973	1,619,078	1,819,405	1,887,309
Applications	544,331	635,418	538,576	722,614
Redemptions	(488,689)	(420,158)	(491,306)	(470,815)
Units issued upon reinvestment of distributions	42,604	62,635	41,664	68,901
Distributions paid and payable	-	-	(59,053)	(98,858)
Profit/(loss) for the year	-	-	452,248	(289,746)
Closing balance as at 30 June	1,995,219	1,896,973	2,301,534	1,819,405

	Vanguard Global Value Equity Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	7,962	7,600	6,944	8,356	682	301	26,227	14,377
Applications	21,630	3,550	24,930	3,797	2,920	380	151,091	17,160
Redemptions	(2,910)	(3,395)	(2,827)	(3,187)	-	-	-	-
Units issued upon reinvestment of distributions	50	207	47	207	1	1	34	56
Increase/(decrease) in net assets attributable to unitholders	-	-	5,296	(2,229)	-	-	27,295	(5,366)
Closing balance as at 30 June	26,732	7,962	34,390	6,944	3,603	682	204,647	26,227

Notes to the financial statements (continued)

For the year ended 30 June 2021

9 Net assets attributable to unitholders (continued)

	Vanguard Global Infrastructure Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Balance as at 1 July	593,284	508,064	685,120	661,592	1,682	295	90,537	16,804
Applications	428,717	343,377	499,013	453,550	935	1,465	50,546	87,538
Redemptions	(185,451)	(279,095)	(218,371)	(370,801)	-	(80)	-	(4,625)
Units issued upon reinvestment of distributions	27,289	20,938	31,481	27,079	5	2	295	104
Increase/(decrease) in net assets attributable to unitholders	-	-	59,219	(86,300)	-	-	9,230	(9,284)
Closing balance as at 30 June	863,839	593,284	1,056,462	685,120	2,622	1,682	150,608	90,537

	Vanguard Global Multi-Factor Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Balance as at 1 July	4,663	1,569	4,220	1,578	359	285	16,244	14,333
Applications	1,364	3,201	1,443	3,547	130	85	7,227	4,153
Redemptions	(2,793)	(132)	(2,605)	(122)	-	(15)	-	(584)
Units issued upon reinvestment of distributions	25	25	23	25	4	4	188	194
Increase/(decrease) in net assets attributable to unitholders	-	-	831	(808)	-	-	5,929	(1,852)
Closing balance as at 30 June	3,259	4,663	3,912	4,220	493	359	29,588	16,244

	Vanguard International Shares Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Balance as at 1 July	6,482,395	6,254,294	14,820,972	14,417,120	27,356	22,646	2,099,799	1,693,179
Applications	1,873,696	1,556,478	4,660,918	3,707,094	8,545	6,825	737,848	541,750
Redemptions	(1,579,009)	(1,551,355)	(3,983,717)	(3,615,562)	(150)	(2,200)	(12,477)	(164,814)
Units issued upon reinvestment of distributions	306,158	222,978	727,484	520,091	99	85	8,072	6,424
Increase/(decrease) in net assets attributable to unitholders	-	-	3,412,529	(207,771)	-	-	605,365	23,260
Closing balance as at 30 June	7,083,240	6,482,395	19,638,186	14,820,972	35,850	27,356	3,438,607	2,099,799

	B Class			
	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
	Balance as at 1 July	13,024	7,963	973,674
Applications	5,354	5,688	439,033	433,782
Redemptions	(1,445)	(856)	(130,388)	(63,774)
Units issued upon reinvestment of distributions	584	229	45,072	17,391
Increase/(decrease) in net assets attributable to unitholders	-	-	308,580	(5,306)
Closing balance as at 30 June	17,517	13,024	1,635,971	973,674

Notes to the financial statements (continued)

For the year ended 30 June 2021

9 Net assets attributable to unitholders (continued)

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000	30 Jun 2021 No. '000	30 Jun 2020 No. '000	30 Jun 2021 \$'000	30 Jun 2020 \$'000
Balance as at 1 July	694,495	539,894	1,038,046	887,063	747	200	35,421	10,272
Applications	144,532	226,937	255,022	362,788	1,340	545	77,719	27,746
Redemptions	(140,298)	(110,906)	(249,660)	(176,207)	-	-	-	-
Units issued upon reinvestment of distributions	39,364	38,570	67,098	61,775	5	2	272	89
Increase/(decrease) in net assets attributable to unitholders	-	-	321,642	(97,373)	-	-	18,434	(2,686)
Closing balance as at 30 June	738,093	694,495	1,432,148	1,038,046	2,092	747	131,846	35,421

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

Capital risk management

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

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

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

10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,673	56.9625	1,786	71.6923	13,791	2.3019	15,069	2.7571
- 31 December	948	26.5696	974	34.9662	5,362	0.8621	12,347	2.1815
- 31 March	197	4.6647	672	24.8424	2,625	0.4136	15,316	2.6674
Distributions payable								
- 30 June	1,979	40.3858	1,499	52.0298	20,775	3.0896	18,194	3.1778
	4,797	128.5826	4,931	183.5307	42,553	6.6672	60,926	10.7838

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	726	21.6462	1,051	24.7754	2,622	48.6810	2,999	63.3538
- 31 December	1,076	26.2452	1,277	29.3799	2,221	36.1708	3,840	75.8075
- 31 March	715	23.5760	1,088	25.4883	569	8.1239	977	18.3014
Distributions payable								
- 30 June	1,803	52.2594	1,841	55.2356	3,098	36.6538	2,058	36.9087
	4,320	123.7268	5,257	134.8792	8,510	129.6295	9,874	194.3714

Notes to the financial statements (continued)

For the year ended 30 June 2021

10 Distributions to unitholders paid and payable (continued)

		Vanguard International Property Securities Index Fund			
		30 Jun 2021		30 Jun 2020	
		\$'000	CPU	\$'000	CPU
Distributions paid					
- 30 September		11,016	0.5942	14,081	0.8256
- 31 December		14,032	0.6991	19,149	1.0709
- 31 March		12,819	0.6262	47,182	2.6707
Distributions payable					
- 30 June		21,186	1.0618	18,446	0.9724
		59,053	2.9813	98,858	5.5396

		Vanguard Global Value Equity Fund							
		Wholesale Class				ETF Class			
		30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
		\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid									
- 30 September		15	0.2293	50	0.5992	87	11.2197	75	20.9604
- 31 December		43	0.4547	98	1.1354	228	19.1314	139	33.0626
- 31 March		52	0.2617	123	1.5619	232	10.9591	192	35.8949
Distributions payable									
- 30 June		146	0.5459	40	0.5091	996	27.5137	129	18.6220
		256	1.4916	311	3.8056	1,543	68.8239	535	108.5399

		Vanguard Global Infrastructure Index Fund							
		Wholesale Class				ETF Class			
		30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
		\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid									
- 30 September		4,481	0.6892	3,645	0.6454	555	30.7581	221	27.4314
- 31 December		7,846	1.0600	9,177	1.6261	1,024	49.9723	466	34.9450
- 31 March		6,956	0.8153	25,046	4.2865	940	39.0846	705	45.7154
Distributions payable									
- 30 June		12,200	1.4123	29,896	5.0390	658	24.3930	1,010	59.3891
		31,483	3.9768	67,764	11.5970	3,177	144.2080	2,402	167.4809

		Vanguard Global Multi-Factor Fund							
		Wholesale Class				ETF Class			
		30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
		\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid									
- 30 September		14	0.2889	5	0.3014	50	14.3121	47	15.4657
- 31 December		9	0.3823	6	0.3275	81	21.0589	54	17.1006
- 31 March		5	0.1740	15	0.2923	37	9.0502	44	13.1358
Distributions payable									
- 30 June		22	0.6781	22	0.4748	173	34.3830	88	24.1577
		50	1.5233	48	1.3960	341	78.8042	233	69.8598

Notes to the financial statements (continued)

For the year ended 30 June 2021

10 Distributions to unitholders paid and payable (continued)

	Vanguard International Shares Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	81,939	1.2281	107,991	1.6721	9,375	34.5002	8,676	36.9838
- 31 December	203,536	2.9303	110,388	1.6601	12,520	40.3359	12,197	45.0855
- 31 March	157,794	2.2472	142,802	2.2016	10,347	31.5584	12,087	45.4245
Distributions payable								
- 30 June	509,061	7.1869	541,458	8.3527	29,848	81.3028	17,762	63.5546
	952,330	13.5925	902,639	13.8865	62,090	187.6973	50,722	191.0484

	B Class			
	30 Jun 2021		30 Jun 2020	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	4,933	34.6544	3,142	37.1604
- 31 December	6,171	39.3870	4,149	44.8506
- 31 March	5,659	31.8208	4,215	42.1663
Distributions payable				
- 30 June	13,797	78.7657	28,309	217.3593
	30,560	184.6279	39,815	341.5366

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2021		30 Jun 2020		30 Jun 2021		30 Jun 2020	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	5,568	0.7756	9,408	1.6396	146	18.4945	95	23.1508
- 31 December	22,507	3.2325	15,397	2.4433	1,127	85.8767	328	60.7920
- 31 March	30,072	4.2802	15,140	2.2035	1,139	74.2518	375	56.8681
Distributions payable								
- 30 June	45,626	6.1816	18,020	2.5947	3,098	147.3335	503	66.5562
	103,773	14.4699	57,965	8.8811	5,510	325.9565	1,301	207.3671

11 Cash and cash equivalents

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	145	143	1,440	1,370	185	17	248	168
Foreign cash at bank	3,957	1,790	15,890	11,149	10	90	209	115
Total cash and cash equivalents	4,102	1,933	17,330	12,519	195	107	457	283

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	1,703	1,734	292	66	585	2,004
Foreign cash at bank	3,224	3,907	1,420	99	10,066	3,631
Total cash and cash equivalents	4,927	5,641	1,712	165	10,651	5,635

Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

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Notes to the financial statements (continued)

For the year ended 30 June 2021

11 Cash and cash equivalents (continued)

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	19	(10)	41,252	33,962	3,961	2,595
Foreign cash at bank	129	39	91,864	110,048	13,099	4,809
Total cash and cash equivalents	148	29	133,116	144,010	17,060	7,404

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'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	62,550	4,876	348,103	(26,733)	41,858	(17,247)	109,475	(11,639)
Proceeds from sale of financial instruments at fair value through profit or loss	22,360	29,699	146,118	363,656	77,824	72,173	28,903	18,849
Purchases of financial instruments at fair value through profit or loss	(163,752)	(42,583)	(364,943)	(291,741)	(84,686)	(28,021)	(226,842)	(67,805)
Net (gains)/losses on financial instruments at fair value through profit or loss	(57,922)	(1,357)	(326,118)	56,723	(37,686)	21,299	(102,362)	19,521
Net change in receivables	(345)	60	(639)	2,309	-	3	(20)	(3)
Net change in payables	60	(65)	(330)	(133)	9	(14)	93	6
Non-cash items	(184)	(84)	(842)	(328)	-	-	-	-
Net cash inflow/(outflow) from operating activities	(137,233)	(9,454)	(198,651)	103,753	(2,681)	48,193	(190,753)	(41,071)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	718	721	29,070	45,655	266	269	899	1,038

Notes to the financial statements (continued)

For the year ended 30 June 2021

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

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss) for the year	452,248	(289,746)	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	32,591	(7,595)	68,449	(95,584)
Distribution to unitholders	-	-	1,799	846	34,660	70,166
Proceeds from sale of financial instruments at fair value through profit or loss	384,838	394,637	37,508	15,246	111,635	267,707
Purchases of financial instruments at fair value through profit or loss	(540,498)	(672,440)	(209,410)	(32,998)	(454,731)	(430,642)
Net (gains)/losses on financial instruments at fair value through profit or loss	(394,897)	344,249	(32,446)	7,355	(81,233)	43,283
Net change in receivables	(1,180)	1,650	(279)	12	(1,387)	137
Net change in payables	166	(9)	47	2	(214)	441
Non-cash items	-	(69)	-	(1)	(420)	(346)
Net cash inflow/(outflow) from operating activities	(99,323)	(221,728)	(170,190)	(17,133)	(323,241)	(144,838)

(b) Non-cash financing activities

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

	41,664	68,901	81	263	31,776	27,183
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	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

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

Increase/(decrease) in net assets attributable to unitholders	6,760	(2,660)	4,326,474	(189,817)	340,076	(100,059)
Distribution to unitholders	391	281	1,044,980	993,176	109,283	59,266
Proceeds from sale of financial instruments at fair value through profit or loss	18,138	18,794	1,567,590	2,434,207	304,544	253,746
Purchases of financial instruments at fair value through profit or loss	(24,359)	(26,021)	(3,715,232)	(3,339,133)	(390,873)	(475,319)
Net (gains)/losses on financial instruments at fair value through profit or loss	(6,771)	2,658	(5,051,619)	(480,761)	(433,678)	54,377
Net change in receivables	(24)	(2)	(8,031)	9,483	(401)	20
Net change in payables	5	-	984	227	151	(223)
Non-cash items	-	-	(373)	(444)	-	(4)
Net cash inflow/(outflow) from operating activities	(5,860)	(6,950)	(1,835,227)	(573,062)	(70,898)	(208,196)

(b) Non-cash financing activities

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

	211	219	780,628	543,906	67,370	61,864
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Notes to the financial statements (continued)

For the year ended 30 June 2021

13 Remuneration of auditors

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC						
Audit and review of financial statements	22,765	20,500	22,765	20,500	22,765	20,500
Other assurance services						
Audit of compliance plan and specified assertions report	3,388	3,699	3,388	3,699	3,388	3,699
Other non-audit services						
Tax compliance services	6,905	6,375	6,905	6,375	10,020	9,490
Total services provided by PwC	33,058	30,574	33,058	30,574	36,173	33,689

	Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC								
Audit and review of financial statements	20,765	18,500	20,765	18,500	26,265	24,000	23,265	21,000
Other assurance services								
Audit of compliance plan, specified assertions report and internal controls report	10,451	9,324	10,451	9,324	10,451	9,324	10,451	9,324
Other non-audit services								
Tax compliance services	10,020	9,490	10,020	9,490	10,020	9,490	10,020	9,490
Total services provided by PwC	41,236	37,314	41,236	37,314	46,736	42,814	43,736	39,814

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC						
Audit and review of financial statements	26,765	24,500	26,765	24,500	23,765	21,500
Other assurance services						
Audit of compliance plan, specified assertions report and internal controls report	10,451	9,324	10,451	9,324	10,451	9,324
Other non-audit services						
Tax compliance services	10,020	9,490	10,020	9,490	10,020	9,490
Total services provided by PwC	47,236	43,314	47,236	43,314	44,236	40,314

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions

Responsible Entity

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

Key management personnel

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

J M Norris (Resigned 21 September 2020)

C Lui (Resigned 31 December 2020)

J Platt

F Kolimago

C Mclsaac (Appointed 25 September 2020)

C Cosby (Appointed 21 May 2021)

D Shrimski (Appointed 21 May 2021)

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

Transactions with key management personnel

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

Key management personnel unitholdings

The key management personnel of Vanguard Investments Australia Ltd (VIA) did not hold any units in the Funds during the financial year ended 30 June 2021 and 30 June 2020.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Responsible Entity's fees and other transactions

During the year ended 30 June 2021, 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	
	2021 % per annum	2020 % per annum
Vanguard FTSE Asia ex Japan Shares Index ETF	0.40	0.40
Vanguard Emerging Markets Shares Index Fund	0.56	0.56
Vanguard FTSE Europe Shares ETF	0.35	0.35
Vanguard FTSE Emerging Markets Shares ETF	0.48	0.48
Vanguard International Property Securities Index Fund	0.40	0.40
Vanguard Global Value Equity Fund - Wholesale Class	0.35	0.35
Vanguard Global Value Equity Fund - ETF Class	0.28	0.28
Vanguard Global Infrastructure Index Fund - Wholesale Class	0.49	0.49
Vanguard Global Infrastructure Index Fund - ETF Class	0.47	0.47
Vanguard Global Multi-Factor Fund - Wholesale Class	0.35	0.35
Vanguard Global Multi-Factor Fund - ETF Class	0.33	0.33
Vanguard International Shares Index Fund - Wholesale Class	0.18	0.18
Vanguard International Shares Index Fund - ETF Class	0.18	0.18
Vanguard International Shares Index Fund - B Class	0.18	0.18
Vanguard International Small Companies Index Fund - Wholesale Class	0.39	0.39
Vanguard International Small Companies Index Fund - ETF Class	0.32	0.32

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

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	1,132,017	712,432	8,010,430	6,751,731	528,425	623,173	1,830,423	1,322,388
Total fees payable to the Responsible Entity at year end	124,034	59,431	772,762	1,085,575	47,106	38,720	199,629	107,126

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	8,006,035	8,321,647	263,200	85,935	4,811,830	4,128,737
Total fees payable to the Responsible Entity at year end	775,373	608,390	55,030	7,435	491,284	705,039

	Vanguard Global Multi-Factor Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	80,013	62,948	38,634,369	33,401,711	5,129,569	4,079,306
Total fees payable to the Responsible Entity at year end	8,655	5,603	3,703,992	2,725,935	506,406	356,230

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Related party unitholdings

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

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

30 Jun 2020 Unitholder	Vanguard Emerging Markets Shares Index Fund						
	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 LifeStrategy® Conservative Fund	427,812	593,992	1,190,123	0.10	350,084	183,904	57,485
Vanguard LifeStrategy® Balanced Fund	1,824,404	2,327,202	4,662,782	0.41	507,473	4,675	237,256
Vanguard LifeStrategy® Growth Fund	3,974,094	4,519,400	9,055,070	0.79	593,434	48,128	470,653
Vanguard LifeStrategy® High Growth Fund	5,732,041	6,665,104	13,354,203	1.16	1,321,268	388,205	689,356
Vanguard Conservative Index Fund	17,410,887	24,819,014	49,727,376	4.33	7,408,127	-	2,490,183
Vanguard Balanced Index Fund	59,795,551	79,893,645	160,074,907	13.95	20,328,961	230,867	7,905,142
Vanguard Growth Index Fund	90,329,730	106,505,080	213,393,579	18.60	27,606,902	11,431,552	11,504,234
Vanguard High Growth Index Fund	58,872,973	84,266,417	168,836,192	14.72	27,364,038	1,970,594	8,288,888
Vanguard Managed Payout Fund	338,454	447,907	897,426	0.08	215,817	106,364	45,861

30 Jun 2021 Unitholder	Vanguard International Property Securities Index Fund						
	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 International Property Securities Index Fund (Hedged)	1,372,291,354	1,418,013,969	1,635,111,907	71.07	417,049,331	371,326,716	42,381,878

30 Jun 2020 Unitholder	Vanguard International Property Securities Index Fund						
	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 International Property Securities Index Fund (Hedged)	1,132,207,084	1,372,291,354	1,316,988,012	72.34	523,415,762	283,331,492	68,641,295

30 Jun 2021 Unitholder	Vanguard Global Value Equity Fund						
	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	1,657,839	-	-	-	174,707	1,832,546	-

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Related party unitholdings (continued)

30 Jun 2020 Unitholder	Vanguard Global Value Equity Fund						
	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	1,096,202	1,657,839	1,444,310	20.82	898,174	336,537	56,938

30 Jun 2021 Unitholder	Vanguard Global Infrastructure Index Fund						
	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 Global Infrastructure Index Fund (Hedged)	340,036,162	534,277,557	653,207,741	61.85	284,052,384	89,810,989	19,401,917
Vanguard Managed Payout Fund	1,210,671	-	-	-	165,721	1,376,392	-

30 Jun 2020 Unitholder	Vanguard Global Infrastructure Index Fund						
	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 Global Infrastructure Index Fund (Hedged)	226,829,408	340,036,162	392,639,756	57.31	199,899,420	86,692,666	36,307,451
Vanguard Managed Payout Fund	-	1,210,671	1,397,962	0.20	1,346,256	135,585	126,751

30 Jun 2021 Unitholder	Vanguard Global Multi-Factor Fund - Wholesale Class						
	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 Investments Australia Ltd	1,593,185	1,615,213	1,937,933	49.57	22,028	-	24,528

30 Jun 2020 Unitholder	Vanguard Global Multi-Factor Fund - Wholesale Class						
	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 Investments Australia Ltd	1,569,167	1,593,185	1,441,514	34.17	24,018	-	22,147

30 Jun 2021 Unitholder	Vanguard Global Multi-Factor Fund - ETF Class						
	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 Investments Australia Ltd	253,781	257,419	15,460,431	52.24	3,638	-	202,081

30 Jun 2020 Unitholder	Vanguard Global Multi-Factor Fund - ETF Class						
	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 Investments Australia Ltd	250,000	253,781	11,494,148	70.71	3,781	-	176,476

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Related party unitholdings (continued)

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

30 Jun 2020 Unitholder	Vanguard International Shares Index Fund						
	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 International Shares Fund	160,799,302	163,194,497	373,258,453	2.52	23,169,116	20,773,921	22,998,720
Vanguard LifeStrategy® Conservative Fund	1,633,553	2,037,252	4,659,602	0.03	2,240,493	1,836,794	281,570
Vanguard LifeStrategy® Balanced Fund	8,245,514	9,713,166	22,215,952	0.15	4,255,267	2,787,615	1,318,003
Vanguard LifeStrategy® Growth Fund	19,256,429	20,146,777	46,079,708	0.31	4,283,415	3,393,067	2,760,357
Vanguard LifeStrategy® High Growth Fund	28,391,580	30,631,493	70,060,351	0.47	6,521,616	4,281,703	4,156,219
Vanguard Conservative Index Fund	71,134,498	94,122,547	215,277,089	1.45	44,112,876	21,124,827	12,576,741
Vanguard Balanced Index Fund	264,011,638	330,140,818	755,098,080	5.09	123,850,960	57,721,780	44,649,464
Vanguard Growth Index Fund	422,697,740	473,393,371	1,082,745,319	7.30	181,963,618	131,267,987	66,023,409
Vanguard High Growth Index Fund	302,462,096	377,792,843	864,087,790	5.83	113,532,339	38,201,592	50,442,090
Vanguard International Shares Index Fund (Hedged)	1,973,707,203	2,198,302,624	5,027,957,761	33.91	604,158,632	379,563,211	294,941,181
Vanguard MSCI Index International Shares (Hedged) ETF	7,962,874	13,024,191	973,736,739	5.42	5,917,336	856,019	39,814,645
Vanguard Managed Payout Fund	2,312,968	2,151,053	4,919,888	0.03	935,042	1,096,957	303,923

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

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Related party unitholdings (continued)

30 Jun 2020 Unitholder	Vanguard International Small Companies Index Fund						
	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 LifeStrategy® Conservative Fund	537,314	723,992	1,082,295	0.10	334,902	148,224	61,480
Vanguard LifeStrategy® Balanced Fund	2,754,012	3,726,544	5,570,811	0.54	1,412,395	439,863	302,241
Vanguard LifeStrategy® Growth Fund	6,384,819	7,717,192	11,536,430	1.11	1,363,096	30,723	636,273
Vanguard LifeStrategy® High Growth Fund	9,814,700	11,730,083	17,535,301	1.69	1,960,552	45,169	964,079
Vanguard Conservative Index Fund	22,942,875	36,027,096	53,856,906	5.19	17,497,605	4,413,384	2,829,157
Vanguard Balanced Index Fund	89,928,641	126,377,441	188,921,636	18.20	38,421,446	1,972,646	10,328,091
Vanguard Growth Index Fund	146,502,162	180,486,014	269,808,542	25.99	58,991,771	25,007,919	15,900,326
Vanguard High Growth Index Fund	104,123,596	145,364,550	217,305,465	20.93	43,213,600	1,972,646	11,661,442
Vanguard International Small Companies Index Fund (Hedged)	46,817,701	36,114,901	53,988,166	5.20	24,811,362	35,514,162	3,165,078

Investments

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

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

30 Jun 2020	Vanguard FTSE Europe Shares ETF					
	Fair value of investment \$	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard FTSE Europe ETF	172,702,481	1.08	4,684,460	347,449	1,008,496	-
	172,702,481		4,684,460	347,449	1,008,496	-

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

30 Jun 2020	Vanguard FTSE Emerging Markets Shares ETF					
	Fair value of investment \$	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard FTSE Emerging Markets ETF	344,765,932	0.43	9,195,441	1,102,932	319,020	-
	344,765,932		9,195,441	1,102,932	319,020	-

Notes to the financial statements (continued)

For the year ended 30 June 2021

14 Related party transactions (continued)

Investments (continued)

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 FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2020	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,132	712	8,010	6,752	528	623
Management costs per annum	0.40%	0.40%	0.56%	0.56%	0.35%	0.35%

	Vanguard FTSE Emerging Markets Shares ETF		Vanguard International Property Securities Index Fund	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,830	1,322	8,006	8,322
Management costs per annum	0.48%	0.48%	0.40%	0.40%

	Vanguard Global Value Equity Fund				Vanguard Global Infrastructure Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Responsible Entity's fees incurred by the Funds	51	30	212	56	4,274	3,795	538	334
Management costs per annum	0.35%	0.35%	0.28%	0.28%	0.49%	0.49%	0.47%	0.47%

	Vanguard Global Multi-Factor Fund				Vanguard International Small Companies Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Responsible Entity's fees incurred by the Funds	12	10	68	53	4,900	3,991	230	88
Management costs per annum	0.35%	0.35%	0.33%	0.33%	0.39%	0.39%	0.32%	0.32%

	Vanguard International Shares Index Fund					
	Wholesale Class		ETF Class		B Class	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Responsible Entity's fees incurred by the Funds	31,484	28,391	4,759	3,670	2,391	1,341
Management costs per annum	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%

Notes to the financial statements (continued)

For the year ended 30 June 2021

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 2021		30 Jun 2020	
	Value of outstanding securities on loan \$'000	Value of collateral \$'000	Value of outstanding securities on loan \$'000	Value of collateral \$'000
Vanguard FTSE Asia ex Japan Shares Index ETF	2,173	2,362	893	955
Vanguard Emerging Markets Shares Index Fund	6,965	7,475	5,581	6,018
Vanguard International Property Securities Index Fund	61,254	65,496	64,532	68,566
Vanguard Global Value Equity Fund	1,938	2,079	303	330
Vanguard Global Infrastructure Index Fund	3,163	3,358	1,227	1,315
Vanguard Global Multi-Factor Fund	255	273	84	96
Vanguard International Shares Index Fund	51,331	55,165	100,497	107,083
Vanguard International Small Companies Index Fund	33,646	36,385	23,511	25,597

17 Withholding tax on dividend and distribution income

Withholding tax on dividend and distribution income were as follows:

	2021 \$'000	2020 \$'000
Vanguard FTSE Asia ex Japan Shares Index ETF	676	393
Vanguard Emerging Markets Shares Index Fund	3,562	3,467
Vanguard FTSE Europe Shares ETF	830	820
Vanguard FTSE Emerging Markets Shares ETF	1,566	1,617
Vanguard International Property Securities Index Fund	10,416	10,386
Vanguard Global Value Equity Fund	325	100
Vanguard Global Infrastructure Index Fund	3,995	3,309
Vanguard Global Multi-Factor Fund	71	54
Vanguard International Shares Index Fund	48,900	50,243
Vanguard International Small Companies Index Fund	2,877	2,379

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 2021 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 2021 (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 9 to 70 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 2021 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.



F Kolimago
Managing Director
Melbourne
9 September 2021



Independent auditor's report

To the unitholders of:

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

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

*denotes listed Funds

Report on the audit of the financial report

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2021 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 2021
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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Basis for opinion

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

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

Independence

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

Our audit approach

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

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



Materiality

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

Audit Scope

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit 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 at fair value through profit or loss

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

At 30 June 2021, investments in financial assets at fair value through profit or loss comprised primarily of investments in listed equity securities and listed unit trusts.

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



Key audit matter

How our audit addressed the key audit matter

2021 as recorded in the Funds' financial report and underlying accounting records to this report.

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 2021, 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.

PricewaterhouseCoopers
PricewaterhouseCoopers

Britt Hawkins
Britt Hawkins
Partner

Melbourne
9 September 2021

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