

17 January 2022

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Vanguard ETFs ASX Announcement

Vanguard Investments Australia Limited announces the following:

- Vanguard Australia Shares Index ETF (ASX: VAS) (ARSN: 090 939 718)
- Vanguard Australian Shares High Yield ETF (ASX: VHY) (ARSN: 091 751 807)
- Vanguard MSCI Australian Large Companies Index ETF (ASX: VLC) (ARSN: 147 936 105)

On 17 August 2021, BHP announced their intention to unify its dual-listed company structure into a single entity, BHP Limited, incorporated in Australia. Under this unification proposal, shares in BHP Plc would be exchanged for a depository interest for shares in BHP Limited on a one-for-one basis. This proposal is subject to shareholders in BHP Group Limited and BHP Group Plc voting in favour of the company's proposal at meetings scheduled for 20 January 2022.

To prepare for the proposed unification, from 17 January 2022 Vanguard Investments Australia (VIA) will be able to acquire BHP Plc shares on the London Stock Exchange to support the investment strategies of the above-named Funds.

Under the BHP proposal, any shares in BHP Plc that VIA acquires will be exchanged for depository interests in BHP Limited, listed on the London Stock exchange. If approved, the unification is scheduled to be complete on 31 January 2022 at which time VIA will commence the process to transition the depository interests into ASX listed BHP Limited shares.

US E-mini Index Futures

Vanguard Investments Australia (VIA) will also be able to use US E-mini Index Futures in the period leading up to, and on the date of BHP's unification, to maintain fund liquidity, manage market exposure and cash flows, while supporting broader funding requirements.

Currency Risk

Acquisition of BHP Plc and US E-minis will result in direct exposure to the US and UK markets, which will introduce a small amount of currency risk. Currency risk is the chance that the value of a foreign investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates.

Investment strategy and investment return objective

These short-term changes are consistent with the investment strategy and investment return objectives of the funds, and, given the significance of the anticipated impact of the proposed unification on the Australian equities market, are being made in the best interest of investors.

Adjustment to index methodology of the Vanguard Australian Shares High Yield Fund and ETF (VHY)

The Vanguard Australian Shares High Yield ETF (VHY) tracks the FTSE Australia High Dividend Yield Index. This index applies a 10% maximum weighting to any one company when the index is rebalanced semi-annually. To maintain these diversification

requirements, a 10% cap will be applied to BHP based on the closing price on 21 January 2022. On the effective date, Vanguard fund weightings in BHP may be over 10% due to market movements.

Please ensure that you refer to the relevant product disclosure statements when making an investment decision.

If you have any questions, please contact Vanguard Client Services
Monday to Friday, 8:00am to 6:00pm AET:

Retail investors - **1300 655 101**
Financial advisers - **1300 655 205**

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