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Annual Report

for the Vanguard® Exchange Traded Funds

13 September 2022

Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	Annual Report
Vanguard Ethically Conscious International Shares Index ETF	VESG	Annual Report
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	VMIN	Annual Report

Vanguard has prepared an Annual Report for the year ended 30 June 2022, for the Vanguard Wholesale International Equities Funds (Hedged) and ETFs. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

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

Further Information

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

Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. In preparing the information, individual circumstances, for example tax implications, have not been taken into account and it may, therefore, not be applicable to an individual's situation. Before making an investment decision, you should consider your circumstances and whether the above information is applicable to your situation.

© 2022 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) is the issuer of the Vanguard® Australian ETFs, and is a wholly owned subsidiary of The Vanguard Group, Inc. based in the US. All rights reserved.

Vanguard ETFs will only be issued to Authorised Participants. That is, persons who have entered into an Authorised Participant Agreement with Vanguard ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through Vanguard Personal Investor, a stockbroker or financial adviser on the secondary market.

Investors should consider the Prospectus or Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Prospectus or PDS for informational purposes. A copy of the Target Market Determinations (TMD) for Vanguard's financial products can be obtained at vanguard.com.au free of charge and include a description of who the financial product is appropriate for. You should refer to the TMD of this Fund before making any investment decisions. You can access our disclosure documents at vanguard.com.au or by calling 1300 655 101. There is no guarantee that distributions will be declared in the future or the future availability of the Distribution Reinvestment Plan. This publication was prepared in good faith and we accept no liability for any errors or omissions.

The funds or securities referred to herein are not sponsored, endorsed or promoted by MSCI and MSCI bears no liability with respect to any such funds or securities. The Product Disclosure Statement contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

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

Annual report | 30 June 2022

Vanguard Wholesale International Equities Funds (Hedged) and ETFs

Responsible Entity

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Vanguard Wholesale International Equities Funds (Hedged) and ETFs

Fund	ASX	ARSN	ABN
Vanguard Global Infrastructure Index Fund (Hedged)	-	128 385 197	92 392 829 821
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	165 786 989	92 314 430 239
Vanguard International Property Securities Index Fund (Hedged)	-	115 001 360	52 511 318 838
Vanguard International Small Companies Index Fund (Hedged) 2	-	127 015 436	13 064 564 42
Vanguard Ethically Conscious International Shares Index Fund	VESG	626 133 275	89 276 633 202
Vanguard Global Minimum Volatility Fund	VMIN	165 787 708	80 259 391 198
Vanguard International Shares Index Fund (Hedged)	-	093 254 909	97 123 270 094
Vanguard International Shares Select Exclusions Index Fund	-	613 045 739	45 215 187 041

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About Vanguard

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

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

With over AUD \$10.3 trillion in assets under management globally as of 30 June 2022, including AUD \$2.8 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for 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 (Hedged) and ETFs (the "Funds") for the year ended 30 June 2022 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 2022.

Principal activities

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

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

The Funds did not have any employees during the year.

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

Directors

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

J Platt (Resigned 21 January 2022)

F Kolimago (Resigned 15 October 2021)

C McIsaac (Resigned 21 January 2022)

C Cosby (Resigned 31 December 2021)

D Shrimski

J Bendl (Appointed 21 January 2022)

C Jacques (Appointed 21 January 2022)

K Petersen (Appointed 21 January 2022)

Review and results of operations

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

On 9 September 2021, the directors resolved to give the option to unitholders to voluntarily either switch or redeem from the Vanguard International Shares Index Fund (Hedged) – NZD Class by 15 October 2021. A final payment of \$1,107,073 was made on 20 October 2021 for unitholders who elected to redeem. As at 30 June 2022, Vanguard International Shares Index Fund (Hedged) – NZD Class has no unitholders, realised all assets and dormant in operation.

Results

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	74,747	-	-	19,144	132,170	-	12,191
Distribution (cents per unit)	-	13.1883	-	-	1.1568	6.9323	-	19.2232
Distributions - ETF Class								
Distribution paid and payable (\$'000)	-	-	13	177,372	-	-	-	-
Distribution (cents per unit)	-	-	0.0576	955.9126	-	-	-	-

Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(502,018)	426,197	(1,529)	3,689	(1,027,624)	1,898,188	(179,299)	526,017
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	-	1,613	-	-	-	-
Distribution (cents per unit)	-	-	-	17.3271	-	-	-	-
Distributions - ETF Class								
Distribution paid and payable (\$'000)	12,585	2,850	-	1,588	-	-	-	-
Distribution (cents per unit)	144.1795	75.3019	-	750.5016	-	-	-	-
Distributions - AUD Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	1,332,886	-	-
Distribution (cents per unit)	-	-	-	-	-	19.7506	-	-
Distributions - NZD Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	3,651	-	-
Distribution (cents per unit)	-	-	-	-	-	46.2235	-	-
Distributions - AUD Unhedged Class								
Distribution paid and payable (\$'000)	30,108	7,805	-	-	-	-	35,237	29,587
Distribution (cents per unit)	3.4383	1.4667	-	-	-	-	10.5780	6.2228
Distributions - NZD Hedged Class								
Distribution paid and payable (\$'000)	47	68,065	-	-	-	-	27	128,958
Distribution (cents per unit)	0.0039	11.0276	-	-	-	-	0.0035	18.4833
Distributions - AUD Hedged Class								
Distribution paid and payable (\$'000)	1	445	-	-	-	-	1	40,270
Distribution (cents per unit)	0.0005	1.0443	-	-	-	-	0.0020	17.9087

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 2022 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.

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard Global Infrastructure Index Fund (Hedged)					
Capital growth	4.19	1.55	(9.78)	15.16	(0.57)
Distribution of income	-	15.07	4.66	0.04	6.42
Total return	4.19	16.62	(5.12)	15.20	5.85
Benchmark					
<i>FTSE Developed Core Infrastructure (with net dividends reinvested) hedged into AUD</i>	4.33	16.57	(5.17)	15.29	5.71
Vanguard MSCI Index International Shares (Hedged) ETF					
Capital growth	(12.42)	21.45	1.40	6.40	9.22
Distribution of income	-	14.27	-	-	2.24
Total return	(12.42)	35.72	1.40	6.40	11.46
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested), hedged into Australian dollars Index</i>	(12.51)	35.75	1.30	6.22	11.48

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Property Securities Index Fund (Hedged)					
Capital growth	(12.71)	20.13	(16.46)	7.80	(0.57)
Distribution of income	1.36	11.30	-	0.01	6.20
Total return	(11.35)	31.43	(16.46)	7.81	5.63
Benchmark					
<i>FTSE EPRA/NAREIT Developed ex-Australia Rental index (with net dividends reinvested) hedged into AUD</i>	(11.28)	31.10	(16.60)	7.63	5.47

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Small Companies Index Fund (Hedged)					
Capital growth	(19.27)	25.48	(7.78)	(4.08)	7.86
Distribution of income	-	23.04	-	1.00	7.26
Total return	(19.27)	48.52	(7.78)	(3.08)	15.12
Benchmark					
<i>MSCI World ex-Australia Small Cap (with net dividends reinvested) hedged into AUD</i>	(19.26)	48.92	(7.52)	(2.99)	15.35

	2022 %	2021 %	2020 %	*2019 %	2018 %
Vanguard Ethically Conscious International Shares Index Fund - ETF Class					
Capital growth	(11.68)	26.35	7.97	3.00	-
Distribution of income	1.89	1.50	1.83	1.27	-
Total return	(9.79)	27.85	9.80	4.27	-
Benchmark					
<i>FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD</i>	(9.79)	27.80	9.83	4.16	-

*Benchmark performance data is since inception

	2022 %	2021 %	2020 %	*2019 %	2018 %
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class					
Capital growth	(11.88)	26.47	8.51	10.20	-
Distribution of income	2.08	1.35	1.29	1.21	-
Total return	(9.80)	27.82	9.80	11.41	-
Benchmark					
<i>FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD</i>	(9.79)	27.80	9.83	11.33	-

*Benchmark performance data is since inception

	2022 %	2021 %	2020 %	*2019 %	2018 %
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class					
Capital growth	(15.21)	24.16	6.53	(1.27)	-
Distribution of income	-	12.48	-	2.62	-
Total return	(15.21)	36.64	6.53	1.35	-
Benchmark					
<i>FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into NZD</i>	(15.06)	36.74	6.70	1.28	-

*Benchmark performance data is since inception

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2022 %	*2021 %	2020 %	2019 %	2018 %
Vanguard Ethically Conscious International Shares Index Fund - AUD Hedged Class					
Capital growth	(15.43)	1.85	-	-	-
Distribution of income	-	1.04	-	-	-
Total return	(15.43)	2.89	-	-	-
Benchmark					
<i>FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into AUD</i>	(15.54)	2.93	-	-	-
<i>*Benchmark performance data is since inception</i>					
	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard Global Minimum Volatility Fund					
Capital growth	(5.27)	1.59	(6.14)	8.52	6.06
Distribution of income	-	14.74	2.10	-	3.07
Total return	(5.27)	16.33	(4.04)	8.52	9.13
Benchmark					
<i>FTSE Global All Cap Index (AUD hedged)</i>	(13.94)	36.44	0.07	4.61	11.45
	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Index Fund (Hedged) - AUD Class					
Capital growth	(12.39)	10.05	(0.62)	5.73	4.57
Distribution of income	-	25.67	2.04	0.70	6.92
Total return	(12.39)	35.72	1.42	6.43	11.49
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index</i>	(12.51)	35.75	1.30	6.22	11.48
	^2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Index Fund (Hedged) - NZD Class					
Capital growth	4.40	(4.93)	(5.14)	1.16	7.91
Distribution of income	-	40.99	6.83	5.27	3.97
Total return	4.40	36.06	1.69	6.43	11.88
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into New Zealand dollars Index</i>	4.30	36.20	1.91	6.30	11.99
<i>^Benchmark performance data is up to 9 September 2021</i>					
	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class					
Capital growth	(12.87)	22.63	1.05	8.70	10.95
Distribution of income	6.15	5.03	4.82	3.52	4.83
Total return	(6.72)	27.66	5.87	12.22	15.78
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) in Australian dollars Index</i>	(6.80)	27.63	5.81	12.10	15.73

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class					
Capital growth	(12.71)	17.06	2.01	4.64	-
Distribution of income	-	18.78	-	1.87	-
Total return	(12.71)	35.84	2.01	6.51	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into Australian dollars Index</i>	(12.77)	35.90	1.92	6.36	-
	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class					
Capital growth	(12.41)	18.86	2.57	3.99	9.49
Distribution of income	-	17.36	0.02	2.51	2.76
Total return	(12.41)	36.22	2.59	6.50	12.25
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into New Zealand dollars Index</i>	(12.44)	36.35	2.53	6.45	12.33

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

Unit redemption prices

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

	At 30 June		Period high		Period low	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Vanguard Global Infrastructure Index Fund (Hedged)	0.9917	0.9681	1.0912	0.9973	0.9396	0.9068
Vanguard MSCI Index International Shares (Hedged) ETF	74.4560	91.5194	92.8302	91.6489	72.6258	70.1999
Vanguard International Property Securities Index Fund (Hedged)	0.7510	0.8564	0.9455	0.8820	0.7288	0.6650
Vanguard International Small Companies Index Fund (Hedged)	0.9127	1.2056	1.1994	1.2700	0.8926	0.8900
Vanguard Ethically Conscious International Shares Index Fund - ETF Class	62.6864	70.4990	78.8619	70.6354	60.1920	55.5781
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class	1.3457	1.5176	1.6965	1.5195	1.2921	1.1943
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class*	1.1061	1.3182	1.4295	1.3200	1.0726	1.0542
Vanguard Ethically Conscious International Shares Index Fund - AUD Hedged Class	0.8603	1.0279	1.1124	1.0292	0.8347	0.9976
Vanguard Global Minimum Volatility Fund - Wholesale Class	1.1808	1.2986	1.2967	1.3326	1.1424	1.2040
Vanguard Global Minimum Volatility Fund - ETF Class	50.8641	55.5752	55.8366	57.0353	49.2064	51.7333
Vanguard International Shares Index Fund (Hedged) - AUD Class	0.8203	0.9816	1.0232	0.9941	0.8007	0.8415
Vanguard International Shares Index Fund (Hedged) - NZD Class**	1.3439	1.3885	1.3710	1.5353	1.2894	1.3002
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class	1.4022	1.6196	1.7548	1.6223	1.3532	1.2811
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class	1.0912	1.2719	1.3672	1.2740	1.0647	1.0662
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class*	1.3157	1.5436	1.6451	1.5470	1.2829	1.2670

*All prices are expressed in New Zealand dollars

** All prices are expressed in New Zealand dollars (last price was on 14 October 2021)

Directors' report (continued)

Significant changes in state of affairs

Frank Kolimago resigned as a Director of Vanguard Investments Australia Ltd on 15 October 2021.

Caroline Cosby resigned as a Director of Vanguard Investments Australia Ltd on 31 December 2021.

Chris McIsaac resigned as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Jo Platt resigned as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

John Bendl appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Curt Jacques appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Kim Petersen appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and fund performance.

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 2022 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.

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 15 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 15 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.

Directors' report (continued)

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 9.

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

A handwritten signature in black ink, appearing to read 'D Shrimski', with a small dash at the end.

D Shrimski

Managing Director, Vanguard Investments Australia Ltd

Melbourne

9 September 2022



Auditor's Independence Declaration

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

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

*denotes listed Funds

As lead auditor for the audit of Vanguard Wholesale International Equities Funds (Hedged) and ETFs for the year ended 30 June 2022, 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 black ink, appearing to read 'Adrian Gut', followed by a period.

Adrian Gut
Partner
PricewaterhouseCoopers

Melbourne
9 September 2022

Statements of comprehensive income

For the year ended 30 June 2022

	Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Distribution income		43,252	19,402	30,401	30,560	133,369	42,382	5,380	5,389
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(14,299)	64,388	(252,547)	381,815	(287,432)	366,024	(28,928)	20,106
Other operating income		-	-	466	285	-	-	-	-
Total net investment income/(loss)		28,953	83,790	(221,680)	412,660	(154,063)	408,406	(23,548)	25,495
Expenses									
Responsible Entity's fees	16	218	186	593	487	500	492	38	27
Custody fees		23	17	43	35	24	27	28	20
Transaction costs		-	-	-	-	-	-	-	-
Other operating expenses		1	14	50	38	28	22	2	1
Total operating expenses		242	217	686	560	552	541	68	48
Operating profit/(loss)		28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	-	-	-	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders	9	-	-	-	-	-	-	-	-
Profit/(loss) for the year		28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447

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 2022

	Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Investment income									
Interest income		49	-	-	-	-	-	-	-
Dividend income		50,048	25,044	653	567	-	-	32,496	33,026
Distribution income		2,160	1,120	24	-	284,368	328,267	1,163	1,279
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(540,417)	407,130	(1,990)	3,300	(1,309,193)	1,572,311	(203,221)	500,659
Other operating income		478	176	17	9	49	50	184	74
Total net investment income/(loss)		(487,682)	433,470	(1,296)	3,876	(1,024,776)	1,900,628	(169,378)	535,038
Expenses									
Responsible Entity's fees	16	6,686	3,384	88	78	2,653	2,217	4,602	4,370
Custody fees		167	87	28	19	67	63	154	117
Transaction costs		594	309	24	13	-	-	185	194
Withholding tax expense		6,534	3,344	80	67	-	-	4,050	4,190
Other operating expenses		355	149	13	10	128	160	930	150
Total operating expenses		14,336	7,273	233	187	2,848	2,440	9,921	9,021
Operating profit/(loss)		(502,018)	426,197	(1,529)	3,689	(1,027,624)	1,898,188	(179,299)	526,017
Finance costs attributable to unitholders									
Distributions to unitholders	10	(42,741)	(79,165)	-	(3,201)	-	(1,336,537)	(35,265)	(198,815)
(Increase)/decrease in net assets attributable to unitholders	9	544,759	(347,032)	1,529	(488)	1,027,624	(561,651)	214,564	(327,202)
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 2022

	Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Assets									
Cash and cash equivalents	11	609	3,560	6,149	28,594	3,333	6,125	1,386	1,831
Margin accounts		-	180	53,524	36,395	284	333	2,639	1,806
Receivables		245	418	1,517	23,357	1,201	638	12	37
Accrued income		14,134	7,546	10,051	13,797	42,455	15,057	2,340	2,322
Due from brokers - receivable for securities sold		27,955	14,671	1,500	95,045	63,379	42,969	1,042	3,664
Financial assets at fair value through profit or loss	6	687,879	653,647	1,638,481	1,667,970	1,193,680	1,635,575	91,650	74,531
Total assets		730,822	680,022	1,711,222	1,865,158	1,304,332	1,700,697	99,069	84,191
Liabilities									
Margin accounts		-	-	4,836	7,640	-	-	290	310
Distribution payable	10	-	11,176	13	127,027	19,144	16,831	-	5,078
Payables		222	149	281	50	5,870	1,091	8	3
Financial liabilities at fair value through profit or loss	7	27,529	13,703	81,757	74,579	55,575	31,972	4,932	3,512
Total liabilities		27,751	25,028	86,887	209,296	80,589	49,894	5,230	8,903
Net assets attributable to unitholders (equity)	9	703,071	654,994	1,624,335	1,655,862	1,223,743	1,650,803	93,839	75,288

	Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Assets									
Cash and cash equivalents	11	11,788	30,495	263	382	17,952	119,333	6,142	17,253
Margin accounts		49,500	35,634	1,225	510	234,042	118,714	34,614	35,142
Receivables		7,503	10,762	43	38	10,854	4,620	3,027	2,838
Accrued income		2,585	1,466	80	48	151,720	174,847	1,057	1,348
Due from brokers - receivable for securities sold		39,352	8	-	948	80,627	245,978	29,731	5
Financial assets at fair value through profit or loss	6	3,214,016	2,270,972	26,400	23,815	7,090,090	6,877,706	1,298,717	2,130,671
Total assets		3,324,744	2,349,337	28,011	25,741	7,585,285	7,541,198	1,373,288	2,187,257
Liabilities									
Margin accounts		10,775	12,829	250	-	21,583	25	4,017	4,315
Distribution payable	10	20,189	14,135	-	945	-	329,967	7,260	55,754
Payables		20,207	441	8	7	20,555	77,400	575	2,032
Due to brokers - payables for securities purchased	6	6	20,003	-	-	-	-	-	2
Financial liabilities at fair value through profit or loss	7	74,109	47,968	1,287	685	363,724	308,417	58,950	69,448
Total liabilities		125,286	95,376	1,545	1,637	405,862	715,809	70,802	131,551
Net assets attributable to unitholders (liability)	9	3,199,458	2,253,961	26,466	24,104	7,179,423	6,825,389	1,302,486	2,055,706

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

Statements of changes in equity

For the year ended 30 June 2022

	Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		654,994	402,484	1,655,862	1,026,643	1,650,803	1,352,967	75,288	56,400
Comprehensive income for the year									
Profit/(loss) for the year		28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Transactions with unitholders									
Applications		221,113	292,031	432,540	400,902	279,752	361,649	51,582	16,040
Redemptions		(208,810)	(103,324)	(254,850)	(11,632)	(542,672)	(404,534)	(10,294)	(11,268)
Units issued upon reinvestment of distributions		7,063	54,977	13,162	5,221	9,619	65,026	879	860
Distributions paid and payable	10	-	(74,747)	(13)	(177,372)	(19,144)	(132,170)	-	(12,191)
Total transactions with unitholders		19,366	168,937	190,839	217,119	(272,445)	(110,029)	42,167	(6,559)
Total equity at the end of the financial year		703,071	654,994	1,624,335	1,655,862	1,223,743	1,650,803	93,839	75,288

	Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 2022

	Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		222,725	146,010	329,554	167,535	624,215	489,551	13,041	19,763
Purchases of financial instruments at fair value through profit or loss		(233,904)	(302,562)	(438,949)	(471,433)	(360,090)	(390,719)	(50,622)	(17,699)
Interest received		-	-	-	3	-	-	-	-
Other income received		-	-	466	285	-	-	-	-
Responsible Entity's fees paid		(221)	(181)	(592)	(467)	(513)	(487)	(36)	(26)
Operating expenses paid		(28)	(33)	(98)	(140)	(52)	(52)	(31)	(21)
Net cash inflow/(outflow) from operating activities	12(a)	(11,428)	(156,766)	(109,619)	(304,217)	263,560	98,293	(37,648)	2,017
Cash flows from financing activities									
Proceeds from applications by unitholders		221,287	292,035	454,381	377,555	279,189	361,484	51,608	16,055
Payments for redemptions by unitholders		(208,731)	(103,292)	(254,850)	(11,632)	(537,880)	(403,759)	(10,291)	(11,268)
Distributions paid from operating activities		(4,113)	(29,357)	(113,631)	(45,124)	(7,212)	(50,313)	(4,199)	(6,253)
Net cash inflow/(outflow) from financing activities		8,443	159,386	85,900	320,799	(265,903)	(92,588)	37,118	(1,466)
Net increase/(decrease) in cash and cash equivalents									
		(2,985)	2,620	(23,719)	16,582	(2,343)	5,705	(530)	551
Cash and cash equivalents at the beginning of the year		3,560	989	28,594	9,785	6,125	704	1,831	1,246
Effects of foreign currency exchange rate changes on cash and cash equivalents		34	(49)	1,274	2,227	(449)	(284)	85	34
Cash and cash equivalents at the end of the year	11	609	3,560	6,149	28,594	3,333	6,125	1,386	1,831
Non-cash financing activities	12(b)	7,063	54,977	13,162	5,221	9,619	65,026	879	860

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 2022

	Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		187,802	1,124,031	17,263	20,913	540,003	1,461,913	1,017,100	1,284,481
Purchases of financial instruments at fair value through profit or loss		(1,717,531)	(1,934,119)	(20,734)	(15,142)	(1,632,742)	(1,294,378)	(428,808)	(1,342,841)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(594)	(309)	(24)	(13)	-	-	(185)	(194)
Interest received		18	1	-	-	-	19	-	5
Dividends received		41,129	20,589	547	505	-	-	28,145	28,052
Distributions received		1,716	869	21	-	-	-	1,024	1,103
Other income received		478	176	18	10	49	50	211	74
Responsible Entity's fees paid		(6,489)	(3,174)	(87)	(79)	(2,642)	(2,158)	(4,729)	(4,279)
Operating expenses paid		(597)	(287)	(41)	(29)	(250)	(224)	(1,116)	(291)
Net cash inflow/(outflow) from operating activities	12(a)	(1,494,068)	(792,223)	(3,037)	6,165	(1,095,582)	165,222	611,642	(33,890)
Cash flows from financing activities									
Proceeds from applications by unitholders		1,821,511	872,969	12,269	5,460	2,244,755	1,860,673	459,810	433,370
Payments for redemptions by unitholders		(328,768)	(50,092)	(8,663)	(9,684)	(1,124,671)	(1,524,499)	(1,070,394)	(373,545)
Distributions paid from operating activities		(14,530)	(13,156)	(669)	(1,825)	(131,475)	(431,314)	(12,614)	(33,583)
Net cash inflow/(outflow) from financing activities		1,478,213	809,721	2,937	(6,049)	988,609	(95,140)	(623,198)	26,242
Net increase/(decrease) in cash and cash equivalents		(15,855)	17,498	(100)	116	(106,973)	70,082	(11,556)	(7,648)
Cash and cash equivalents at the beginning of the year		30,495	11,419	382	353	119,333	38,919	17,253	22,689
Effects of foreign currency exchange rate changes on cash and cash equivalents		(2,852)	1,578	(19)	(87)	5,592	10,332	445	2,212
Cash and cash equivalents at the end of the year	11	11,788	30,495	263	382	17,952	119,333	6,142	17,253
Non-cash financing activities	12(b)	22,157	53,459	276	809	198,492	682,793	71,145	117,540

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 2022

1 General information

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

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

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

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

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

The financial statements were authorised for issue by the directors on 9 September 2022. 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 2022

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 2021 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 2022 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 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(b) Financial instruments

(i) Classification

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

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

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

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. Refer to note 3(c)(i) to the financial statements for further information.

Notes to the financial statements (continued)

For the year ended 30 June 2022

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.

(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. The Funds may incur withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 Summary of significant accounting policies (continued)

(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.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 Summary of significant accounting policies (continued)

(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).

(t) Operating segments

The Funds with ETF class units are within the scope of AASB 8: *Operating Segments* as they satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market or filing financial statements with a regulator for the purpose of issuing any class of instruments in a public market.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 Summary of significant accounting policies (continued)

(u) Securities lending arrangements

The Funds 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 17.

(v) 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.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and fund performance.

(a) Market risk

(i) Price risk

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

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets	-	-	55	97	1	25	-	3
Unlisted unit trusts	686,643	653,208	1,597,732	1,635,344	1,184,682	1,635,112	89,648	72,856
Derivative liabilities	-	-	(13)	(34)	(57)	(10)	(80)	(2)
Net total	686,643	653,208	1,597,774	1,635,407	1,184,626	1,635,127	89,568	72,857

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets	133	133	-	5	-	893	6	114
Equity securities	3,090,275	2,181,924	25,110	23,172	-	-	1,247,178	2,040,871
Listed unit trusts	91,721	55,011	1,063	472	-	-	31,025	45,502
Unlisted unit trusts	-	-	-	-	6,927,862	6,742,698	-	-
Derivative liabilities	(222)	(38)	(1)	-	(381)	(199)	(235)	(37)
Net total	3,181,907	2,237,030	26,172	23,649	6,927,481	6,743,392	1,277,974	2,086,450

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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Infrastructure Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	52	39	18	36	-	1,380	32	81	15	-
Margin accounts	-	-	-	-	-	76	49	16	39	-
Financial assets at fair value through profit or loss	707	81	30	2	38	344	4	2	15	3
Total assets	759	120	48	38	38	1,800	85	99	69	3
Liabilities										
Financial liabilities at fair value through profit or loss	23,315	2,612	713	5	879	12,457	193	4	596	444
Total liabilities	23,315	2,612	713	5	879	12,457	193	4	596	444
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	620,894	121,900	47,080	28,323	51,486	488,010	100,317	37,207	35,549	44,385
- Sell foreign currency	(1,077,993)	(221,113)	(83,258)	(55,636)	(91,127)	(923,454)	(187,505)	(76,580)	(68,208)	(84,005)
Net exposure including foreign currency forward contracts	(479,655)	(101,705)	(36,843)	(27,280)	(40,482)	(446,101)	(87,296)	(39,278)	(33,186)	(40,061)

Vanguard MSCI Index International Shares (Hedged) ETF										
	30 Jun 2022					30 Jun 2021				
	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	2,944	78	164	161	252	1,398	388	595	554	866
Margin accounts	2,444	283	976	162	199	2,110	210	565	128	132
Financial assets at fair value through profit or loss	24,054	21	31	600	380	32,626	-	-	-	-
Total assets	29,442	382	1,171	923	831	36,134	598	1,160	682	998
Liabilities										
Margin accounts	-	-	-	-	26	-	-	-	-	7,640
Payables	-	-	-	-	-	-	-	2	1	1
Financial liabilities at fair value through profit or loss	80,527	12	29	604	417	74,543	8	22	-	4
Total liabilities	80,527	12	29	604	443	74,543	8	24	1	7,645
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	3,213,971	88,944	190,815	119,689	208,309	3,002,767	82,891	192,432	137,257	184,195
- Sell foreign currency	(4,312,473)	(162,941)	(332,079)	(224,753)	(367,595)	(4,107,808)	(154,787)	(359,695)	(252,038)	(348,382)
Net exposure including foreign currency forward contracts	(1,149,587)	(73,627)	(140,122)	(104,745)	(158,898)	(1,143,450)	(71,306)	(166,127)	(114,100)	(170,834)

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Property Securities Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	1,288	465	119	38	61	142	82	217	76	157
Margin accounts	149	66	13	17	39	120	130	25	4	24
Financial assets at fair value through profit or loss	6,722	79	198	35	391	160	-	8	1	26
Total assets	8,159	610	330	90	491	422	212	250	81	207
Liabilities										
Financial liabilities at fair value through profit or loss	48,675	449	1,789	19	4,595	27,772	68	18	2,360	1,740
Total liabilities	48,675	449	1,789	19	4,595	27,772	68	18	2,360	1,740
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	1,282,668	88,348	122,498	111,816	219,625	1,059,391	93,718	176,362	139,991	226,505
- Sell foreign currency	(2,100,741)	(150,436)	(200,316)	(202,841)	(369,235)	(2,106,127)	(178,516)	(335,292)	(273,784)	(437,543)
Net exposure including foreign currency forward contracts	(858,589)	(61,927)	(79,277)	(90,954)	(153,714)	(1,074,086)	(84,654)	(158,698)	(136,072)	(212,571)

Vanguard International Small Companies Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	139	14	119	52	5	294	9	32	343	5
Margin accounts	237	-	132	30	-	122	-	32	22	-
Financial assets at fair value through profit or loss	1,896	-	3	62	31	1,674	-	-	-	-
Total assets	2,272	14	254	144	36	2,090	9	64	365	5
Liabilities										
Financial liabilities at fair value through profit or loss	4,821	1	5	64	32	3,509	-	-	2	-
Total liabilities	4,821	1	5	64	32	3,509	-	-	2	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	202,927	7,427	10,151	11,627	15,712	150,950	6,036	7,430	9,165	10,763
- Sell foreign currency	(258,089)	(13,384)	(17,297)	(22,596)	(27,481)	(196,535)	(11,144)	(13,519)	(17,323)	(20,375)
Net exposure including foreign currency forward contracts	(57,711)	(5,944)	(6,897)	(10,889)	(11,765)	(47,004)	(5,099)	(6,025)	(7,795)	(9,607)

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	New Zealand Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	3,809	1,037	1,049	700	3,683	37,494	264	2,593	1,983	(15,676)
Margin accounts	2,083	43,002	1,025	106	214	2,564	48	696	161	32,165
Receivables	169	-	1,497	-	1,136	58	17	490	-	596
Accrued income	1,370	6	26	263	920	692	350	29	181	214
Due from brokers - receivable for securities sold	27,005	-	3,373	2,884	6,090	-	-	-	1	7
Financial assets at fair value through profit or loss	2,260,756	10,944	237,425	238,729	466,161	1,575,599	75,572	177,248	177,128	265,425
Total assets	2,295,192	54,989	244,395	242,682	478,204	1,616,407	76,251	181,056	179,454	282,731
Liabilities										
Margin accounts	-	10,751	-	-	24	-	-	-	-	12,829
Due to brokers - payable for securities purchased	-	-	-	-	6	14,038	948	1,638	1,711	1,668
Financial liabilities at fair value through profit or loss	73,086	1	48	562	412	47,853	1	30	3	81
Total liabilities	73,086	10,752	48	562	442	61,891	949	1,668	1,714	14,578
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	2,621,444	2,756,413	129,515	111,612	242,315	1,601,690	35,275	87,081	80,346	1,949,336
- Sell foreign currency	(3,514,723)	(1,581,498)	(227,068)	(213,646)	(435,116)	(2,238,672)	(68,154)	(160,913)	(154,774)	(1,167,381)
Net exposure including foreign currency forward contracts	1,328,827	1,219,152	146,794	140,086	284,961	917,534	42,423	105,556	103,312	1,050,108

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Minimum Volatility Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	Indian Rupee A\$'000	Taiwan New Dollar A\$'000	Mexican Peso A\$'000	Other currencies A\$'000	US Dollar A\$'000	Hong Kong Dollar A\$'000	Swiss Franc A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	212	-	-	-	(48)	132	5	16	30	90
Margin accounts	35	-	-	-	-	30	-	-	-	-
Receivables	7	-	-	-	26	2	-	15	-	19
Accrued income	23	-	-	-	49	12	24	-	7	5
Due from brokers - receivable for securities sold	-	-	-	-	-	494	16	-	176	171
Financial assets at fair value through profit or loss	16,212	-	2	-	9,120	14,744	1,610	972	2,504	3,032
Total assets	16,489	-	2	-	9,147	15,414	1,655	1,003	2,717	3,317
Liabilities										
Financial liabilities at fair value through profit or loss	1,274	-	-	-	13	685	-	-	-	-
Total liabilities	1,274	-	-	-	13	685	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	12,130	-	-	-	363	12,941	62	134	202	183
- Sell foreign currency	(26,850)	(707)	(698)	(134)	(9,502)	(25,585)	(1,746)	(1,095)	(2,674)	(4,795)
Net exposure including foreign currency forward contracts										
	495	(707)	(696)	(134)	(5)	2,085	(29)	42	245	(1,295)

Vanguard International Shares Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	7,126	671	401	899	907	7,015	1,675	5,523	3,708	4,557
Margin accounts	9,737	600	3,866	447	662	7,426	851	2,256	614	537
Financial assets at fair value through profit or loss	107,589	83	127	2,689	1,612	134,984	-	1	16	7
Total assets	124,452	1,354	4,394	4,035	3,181	149,425	2,526	7,780	4,338	5,101
Liabilities										
Margin accounts	-	-	-	-	83	-	-	-	-	25
Payables	-	-	-	-	-	-	-	8	2	4
Financial liabilities at fair value through profit or loss	358,032	77	219	2,803	1,856	308,213	53	143	-	5
Total liabilities	358,032	77	219	2,803	1,939	308,213	53	151	2	34
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	14,206,752	392,163	840,626	528,678	923,595	12,183,235	336,752	774,750	554,805	767,365
- Sell foreign currency	(19,033,729)	(717,982)	(1,461,313)	(991,488)	(1,626,881)	(16,822,093)	(635,388)	(1,474,502)	(1,032,393)	(1,444,479)
Net exposure including foreign currency forward contracts										
	(5,060,557)	(324,542)	(616,512)	(461,578)	(702,044)	(4,797,646)	(296,163)	(692,123)	(473,252)	(672,047)

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Shares Select Exclusions Index Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	British Pound A\$'000	New Zealand Dollar 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	2,239	505	971	563	1,171	5,535	465	969	842	2,150
Margin accounts	1,463	198	30,190	266	1,057	2,309	246	676	201	25,510
Receivables	114	10	-	-	2,685	48	6	1,275	-	722
Accrued income	542	189	2	103	221	617	273	100	145	213
Due from brokers - receivable for securities sold	20,391	1,348	-	1,569	6,423	-	-	-	-	5
Financial assets at fair value through profit or loss	916,331	52,527	2,809	82,424	244,615	1,464,659	83,849	211,614	146,752	223,797
Total assets	941,080	54,777	33,972	84,925	256,172	1,473,168	84,839	214,634	147,940	252,397
Liabilities										
Margin accounts	-	-	3,725	-	12	-	-	-	-	4,315
Payables	-	-	-	-	-	-	-	-	-	3
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-	2	-
Financial liabilities at fair value through profit or loss	58,280	5	1	395	262	69,387	7	21	6	27
Total liabilities	58,280	5	3,726	395	274	69,387	7	21	8	4,345
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	2,035,596	53,463	2,168,968	74,667	256,005	2,363,552	61,919	149,947	107,958	2,338,796
- Sell foreign currency	(2,717,182)	(97,077)	(1,255,939)	(141,691)	(443,048)	(3,254,396)	(117,699)	(285,017)	(201,600)	(1,429,850)
Net exposure including foreign currency forward contracts	201,214	11,158	943,275	17,506	68,855	512,937	29,052	79,543	54,290	1,156,998

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

(iii) Cash flow and fair value interest rate risk

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Small Companies Index Fund (Hedged)													
Price risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-4%	+6%	-11%	0%	-2%	+8%	-6%	+7%	-2%	+17%	-6%	+3%
30 Jun 2022	(3,583)	5,374	280	-	-	1	(15)	17	(2)	13	-	-	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Ethically Conscious International Shares Index Fund													
Price risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		New Zealand Dollar		Euro		Japanese Yen		Other currencies			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-2%	+4%	-11%	0%	-1%	+7%	-6%	+7%	-2%	+17%	-6%	+3%
30 Jun 2022	(63,637)	127,276	1,651	-	(333)	2,331	(418)	487	(79)	670	(713)	356	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Minimum Volatility Fund													
Price risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		Indian Rupee		Taiwan New Dollar		Mexican Peso		Other currencies			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-4%	+5%	-11%	0%	-6%	+3%	-7%	+5%	-13%	+1%	-5%	+6%
30 Jun 2022	(1,047)	1,308	85	-	-	-	-	-	-	-	-	(1)	1
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Minimum Volatility Fund													
Price risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		Hong Kong Dollar		Swiss Franc		Japanese Yen		Other currencies			
		\$'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%	+8%	-4%	+8%	-3%	+12%	-5%	+4%
30 Jun 2021	(709)	1,183	(19)	12	(3)	4	(1)	2	(6)	25	(14)	11	

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Index Fund (Hedged)												
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies	
	Low	High	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	+5%	-11%	0%	-2%	+8%	-6%	+7%	-2%	+17%	-6%	+3%
30 Jun 2022	(207,825)	346,374	25,685	-	(26)	105	(256)	299	(26)	220	(81)	40
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies	
	Low	High	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			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	(202,302)	337,170	9,580	(12,773)	(152)	-	(311)	389	(130)	518	(253)	253

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Select Exclusions Index Fund												
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		New Zealand Dollar		Japanese Yen		Other currencies	
	Low	High	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-11%	0%	-2%	+8%	-1%	+7%	-2%	+17%	-6%	+4%
30 Jun 2022	(25,559)	51,119	1,723	-	(45)	180	(274)	1,921	(50)	424	(695)	463
	Price risk		Foreign exchange risk									
	\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other currencies	
	Low	High	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-5%	+4%
30 Jun 2021	(41,729)	83,458	1,923	(2,564)	(59)	-	(121)	151	(36)	142	(1,213)	970

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(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 2022 or 30 June 2021.

(i) Derivatives

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

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

(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 2022 had a credit rating of A-1 (30 June 2021: A-1). At 30 June 2022, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JPM Chase Bank, N.A., Sydney Branch.

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(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 Global Infrastructure Index Fund (Hedged)									
	30 Jun 2022					30 Jun 2021				
	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	-	-	-	-	-	11,176	-	-	-	11,176
Payables	222	-	-	-	222	149	-	-	-	149
Total liabilities	222	-	-	-	222	11,325	-	-	-	11,325

	Vanguard MSCI Index International Shares (Hedged) ETF									
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	4,836	-	-	-	4,836	7,640	-	-	-	7,640
Distribution payable	13	-	-	-	13	127,027	-	-	-	127,027
Payables	281	-	-	-	281	50	-	-	-	50
Total liabilities	5,130	-	-	-	5,130	134,717	-	-	-	134,717

	Vanguard International Property Securities Index Fund (Hedged)									
	30 Jun 2022					30 Jun 2021				
	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	19,144	-	-	-	19,144	16,831	-	-	-	16,831
Payables	5,870	-	-	-	5,870	1,091	-	-	-	1,091
Total liabilities	25,014	-	-	-	25,014	17,922	-	-	-	17,922

	Vanguard International Small Companies Index Fund (Hedged)									
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	290	-	-	-	290	310	-	-	-	310
Distribution payable	-	-	-	-	-	5,078	-	-	-	5,078
Payables	8	-	-	-	8	3	-	-	-	3
Total liabilities	298	-	-	-	298	5,391	-	-	-	5,391

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	10,775	-	-	-	10,775	12,829	-	-	-	12,829
Distribution payable	20,189	-	-	-	20,189	14,135	-	-	-	14,135
Payables	20,207	-	-	-	20,207	441	-	-	-	441
Due to brokers - payables for securities purchased	6	-	-	-	6	20,003	-	-	-	20,003
Net assets attributable to unitholders	3,199,458	-	-	-	3,199,458	2,253,961	-	-	-	2,253,961
Total liabilities	3,250,635	-	-	-	3,250,635	2,301,369	-	-	-	2,301,369

Vanguard Global Minimum Volatility Fund										
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	250	-	-	-	250	-	-	-	-	-
Distribution payable	-	-	-	-	-	945	-	-	-	945
Payables	8	-	-	-	8	7	-	-	-	7
Net assets attributable to unitholders	26,466	-	-	-	26,466	24,104	-	-	-	24,104
Total liabilities	26,724	-	-	-	26,724	25,056	-	-	-	25,056

Vanguard International Shares Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	21,583	-	-	-	21,583	25	-	-	-	25
Distribution payable	-	-	-	-	-	329,967	-	-	-	329,967
Payables	20,555	-	-	-	20,555	77,400	-	-	-	77,400
Net assets attributable to unitholders	7,179,423	-	-	-	7,179,423	6,825,389	-	-	-	6,825,389
Total liabilities	7,221,561	-	-	-	7,221,561	7,232,781	-	-	-	7,232,781

Vanguard International Shares Select Exclusions Index Fund										
	30 Jun 2022					30 Jun 2021				
	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
Margin accounts	4,017	-	-	-	4,017	4,315	-	-	-	4,315
Distribution payable	7,260	-	-	-	7,260	55,754	-	-	-	55,754
Payables	575	-	-	-	575	2,032	-	-	-	2,032
Due to brokers - payables for securities purchased	-	-	-	-	-	2	-	-	-	2
Net assets attributable to unitholders	1,302,486	-	-	-	1,302,486	2,055,706	-	-	-	2,055,706
Total liabilities	1,314,338	-	-	-	1,314,338	2,117,809	-	-	-	2,117,809

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments

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

Vanguard Global Infrastructure Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	1,553,157	846,508	-	-	2,399,665	1,353,397	690,885	-	-	2,044,282
(Outflows)	(1,579,430)	(846,529)	-	-	(2,425,959)	(1,366,662)	(690,884)	-	-	(2,057,546)
Net	(26,273)	(21)	-	-	(26,294)	(13,265)	1	-	-	(13,264)

Vanguard MSCI Index International Shares (Hedged) ETF										
	30 Jun 2022					30 Jun 2021				
	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	4,914,224	2,642,643	-	-	7,556,867	4,689,205	2,457,916	-	-	7,147,121
(Outflows)	(4,965,308)	(2,648,107)	-	-	(7,613,415)	(4,719,274)	(2,469,863)	-	-	(7,189,137)
Net	(51,084)	(5,464)	-	-	(56,548)	(30,069)	(11,947)	-	-	(42,016)

Vanguard International Property Securities Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	3,236,008	1,619,894	-	-	4,855,902	3,311,754	1,713,314	-	-	5,025,068
(Outflows)	(3,282,484)	(1,619,939)	-	-	(4,902,423)	(3,343,277)	(1,713,315)	-	-	(5,056,592)
Net	(46,476)	(45)	-	-	(46,521)	(31,523)	(1)	-	-	(31,524)

Vanguard International Small Companies Index Fund (Hedged)										
	30 Jun 2022					30 Jun 2021				
	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	300,719	163,122	-	-	463,841	231,182	118,242	-	-	349,424
(Outflows)	(303,202)	(163,488)	-	-	(466,690)	(232,479)	(118,783)	-	-	(351,262)
Net	(2,483)	(366)	-	-	(2,849)	(1,297)	(541)	-	-	(1,838)

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	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	4,048,955	2,107,296	-	-	6,156,251	2,577,716	1,270,129	-	-	3,847,845
(Outflows)	(4,092,303)	(2,113,542)	-	-	(6,205,845)	(2,599,857)	(1,277,917)	-	-	(3,877,774)
Net	(43,348)	(6,246)	-	-	(49,594)	(22,141)	(7,788)	-	-	(29,929)

Notes to the financial statements (continued)

For the year ended 30 June 2022

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

	Vanguard Global Minimum Volatility Fund									
	30 Jun 2022					30 Jun 2021				
	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	39,529	-	-	-	39,529	38,804	-	-	-	38,804
(Outflows)	(40,589)	-	-	-	(40,589)	(39,323)	-	-	-	(39,323)
Net	(1,060)	-	-	-	(1,060)	(519)	-	-	-	(519)

	Vanguard International Shares Index Fund (Hedged)									
	30 Jun 2022					30 Jun 2021				
	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	21,677,874	11,698,632	-	-	33,376,506	19,455,745	9,700,644	-	-	29,156,389
(Outflows)	(21,905,088)	(11,721,932)	-	-	(33,627,020)	(19,580,686)	(9,749,807)	-	-	(29,330,493)
Net	(227,214)	(23,300)	-	-	(250,514)	(124,941)	(49,163)	-	-	(174,104)

	Vanguard International Shares Select Exclusions Index Fund									
	30 Jun 2022					30 Jun 2021				
	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	3,133,911	1,646,874	-	-	4,780,785	3,813,455	1,819,848	-	-	5,633,303
(Outflows)	(3,168,816)	(1,652,345)	-	-	(4,821,161)	(3,843,597)	(1,830,288)	-	-	(5,673,885)
Net	(34,905)	(5,471)	-	-	(40,376)	(30,142)	(10,440)	-	-	(40,582)

4 Fair value measurement

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

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

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

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

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

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 Fair value measurement (continued)

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.

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 2022 and 30 June 2021.

	Vanguard Global Infrastructure Index Fund (Hedged)							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	-	1,236	-	1,236	-	439	-	439
Unlisted unit trusts	-	686,643	-	686,643	-	653,208	-	653,208
Total	-	687,879	-	687,879	-	653,647	-	653,647
Financial liabilities at fair value through profit or loss								
Derivatives	-	27,529	-	27,529	-	13,703	-	13,703
Total	-	27,529	-	27,529	-	13,703	-	13,703

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard MSCI Index International Shares (Hedged) ETF							
	30 Jun 2022				30 Jun 2021			
	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	55	25,195	-	25,250	97	32,529	-	32,626
Unlisted unit trusts	-	1,597,732	-	1,597,732	-	1,635,344	-	1,635,344
Fixed interest securities*	-	15,499	-	15,499	-	-	-	-
Total	55	1,638,426	-	1,638,481	97	1,667,873	-	1,667,970
Financial liabilities at fair value through profit or loss								
Derivatives	13	81,744	-	81,757	34	74,545	-	74,579
Total	13	81,744	-	81,757	34	74,545	-	74,579

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

	Vanguard International Property Securities Index Fund (Hedged)							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	1	8,997	-	8,998	25	438	-	463
Unlisted unit trusts	-	1,184,682	-	1,184,682	-	1,635,112	-	1,635,112
Total	1	1,193,679	-	1,193,680	25	1,635,550	-	1,635,575
Financial liabilities at fair value through profit or loss								
Derivatives	57	55,518	-	55,575	10	31,962	-	31,972
Total	57	55,518	-	55,575	10	31,962	-	31,972

	Vanguard International Small Companies Index Fund (Hedged)							
	30 Jun 2022				30 Jun 2021			
	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	-	2,002	-	2,002	3	1,672	-	1,675
Unlisted unit trusts	-	89,648	-	89,648	-	72,856	-	72,856
Total	-	91,650	-	91,650	3	74,528	-	74,531
Financial liabilities at fair value through profit or loss								
Derivatives	80	4,852	-	4,932	2	3,510	-	3,512
Total	80	4,852	-	4,932	2	3,510	-	3,512

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Ethically Conscious International Shares Index Fund							
	30 Jun 2022				30 Jun 2021			
	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	133	24,292	-	24,425	133	18,001	-	18,134
Equity securities	3,090,265	-	10	3,090,275	2,181,911	-	13	2,181,924
Listed unit trusts	91,721	-	-	91,721	55,011	-	-	55,011
Fixed interest securities*	-	7,595	-	7,595	-	15,903	-	15,903
Total	3,182,119	31,887	10	3,214,016	2,237,055	33,904	13	2,270,972
Financial liabilities at fair value through profit or loss								
Derivatives	222	73,887	-	74,109	38	47,930	-	47,968
Total	222	73,887	-	74,109	38	47,930	-	47,968

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

	Vanguard Global Minimum Volatility Fund							
	30 Jun 2022				30 Jun 2021			
	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	-	227	-	227	5	166	-	171
Equity securities	25,110	-	-	25,110	23,172	-	-	23,172
Listed unit trusts	1,063	-	-	1,063	472	-	-	472
Total	26,173	227	-	26,400	23,649	166	-	23,815
Financial liabilities at fair value through profit or loss								
Derivatives	1	1,286	-	1,287	-	685	-	685
Total	1	1,286	-	1,287	-	685	-	685

	Vanguard International Shares Index Fund (Hedged)							
	30 Jun 2022				30 Jun 2021			
	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	-	112,829	-	112,829	893	134,115	-	135,008
Unlisted unit trusts	-	6,927,862	-	6,927,862	-	6,742,698	-	6,742,698
Fixed interest securities*	-	49,399	-	49,399	-	-	-	-
Total	-	7,090,090	-	7,090,090	893	6,876,813	-	6,877,706
Financial liabilities at fair value through profit or loss								
Derivatives	381	363,343	-	363,724	199	308,218	-	308,417
Total	381	363,343	-	363,724	199	308,218	-	308,417

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Shares Select Exclusions Index Fund							
	30 Jun 2022				30 Jun 2021			
	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	6	18,338	-	18,344	114	28,829	-	28,943
Equity securities	1,247,178	-	-	1,247,178	2,040,871	-	-	2,040,871
Listed unit trusts	31,025	-	-	31,025	45,502	-	-	45,502
Fixed interest securities*	-	2,170	-	2,170	-	15,355	-	15,355
Total	1,278,209	20,508	-	1,298,717	2,086,487	44,184	-	2,130,671
Financial liabilities at fair value through profit or loss								
Derivatives	235	58,715	-	58,950	37	69,411	-	69,448
Total	235	58,715	-	58,950	37	69,411	-	69,448

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

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no changes made to any of the valuation techniques applied as of 30 June 2022.

Transfers between levels

There were no transfer between the levels for the fair value hierarchy at the end of the reporting period 30 June 2022.

The following table presents the transfers between levels at the end of the reporting period 30 June 2021:

	Vanguard Ethically Conscious International Shares Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
	30 Jun 2021		
Transfers between level 1 and 3:			
Equity securities	(9)	-	9
Transfers between level 2 and 3:			
Equity securities	-	(4)	4

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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	6,327	11,857	(236,698)	205,872	(265,827)	229,747	(25,182)	10,926
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(20,626)	52,531	(15,849)	175,943	(21,605)	136,277	(3,746)	9,180
Total net gains/(losses) on financial instruments at fair value through profit or loss	(14,299)	64,388	(252,547)	381,815	(287,432)	366,024	(28,928)	20,106

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(472,779)	322,930	(1,385)	(209)	(1,097,400)	573,323	(398,055)	286,303
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(67,638)	84,200	(605)	3,509	(211,793)	998,988	194,834	214,356
Total net gains/(losses) on financial instruments at fair value through profit or loss	(540,417)	407,130	(1,990)	3,300	(1,309,193)	1,572,311	(203,221)	500,659

Notes to the financial statements (continued)

For the year ended 30 June 2022

6 Financial assets at fair value through profit or loss

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial assets at fair value through profit or loss								
Derivatives	1,236	439	25,250	32,626	8,998	463	2,002	1,675
Fixed interest securities	-	-	15,499	-	-	-	-	-
Unlisted unit trusts	686,643	653,208	1,597,732	1,635,344	1,184,682	1,635,112	89,648	72,856
Total financial assets at fair value through profit or loss	687,879	653,647	1,638,481	1,667,970	1,193,680	1,635,575	91,650	74,531
Comprising:								
Derivatives								
Foreign currency forward contracts	1,236	439	25,195	32,529	8,997	438	2,002	1,672
International share price futures	-	-	55	97	1	25	-	3
Total derivatives	1,236	439	25,250	32,626	8,998	463	2,002	1,675
Fixed interest securities								
Australian reverse repurchase agreements*	-	-	15,499	-	-	-	-	-
Total fixed interest securities	-	-	15,499	-	-	-	-	-
Unlisted unit trusts								
Units in international equity trusts	686,643	653,208	1,597,732	1,635,344	-	-	89,648	72,856
Units in international property trusts	-	-	-	-	1,184,682	1,635,112	-	-
Total unlisted unit trusts	686,643	653,208	1,597,732	1,635,344	1,184,682	1,635,112	89,648	72,856
Total financial assets at fair value through profit or loss	687,879	653,647	1,638,481	1,667,970	1,193,680	1,635,575	91,650	74,531

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

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

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2022 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2022 Fair value \$'000	30 Jun 2021 Fair value \$'000	30 Jun 2022 Fair value \$'000	30 Jun 2021 Fair value \$'000
Financial assets at fair value through profit or loss								
Derivatives	24,425	18,134	227	171	112,829	135,008	18,344	28,943
Equity securities	3,090,275	2,181,924	25,110	23,172	-	-	1,247,178	2,040,871
Listed unit trusts	91,721	55,011	1,063	472	-	-	31,025	45,502
Fixed interest securities	7,595	15,903	-	-	49,399	-	2,170	15,355
Unlisted unit trusts	-	-	-	-	6,927,862	6,742,698	-	-
Total financial assets at fair value through profit or loss	3,214,016	2,270,972	26,400	23,815	7,090,090	6,877,706	1,298,717	2,130,671
Comprising:								
Derivatives								
Foreign currency forward contracts	24,292	18,001	227	166	112,829	134,115	18,338	28,829
International share price futures	133	133	-	5	-	893	6	114
Total derivatives	24,425	18,134	227	171	112,829	135,008	18,344	28,943
Equity securities								
Australian equity securities	-	-	946	953	-	-	-	-
International equity securities	3,090,275	2,181,924	24,164	22,219	-	-	1,247,178	2,040,871
Total equity securities	3,090,275	2,181,924	25,110	23,172	-	-	1,247,178	2,040,871
Listed units trusts								
Australian listed trusts	-	-	121	-	-	-	-	-
International listed trusts	91,721	55,011	942	472	-	-	31,025	45,502
Total listed unit trusts	91,721	55,011	1,063	472	-	-	31,025	45,502
Fixed interest securities								
Australian reverse repurchase agreements*	-	-	-	-	49,399	-	-	-
International reverse repurchase agreements*	7,595	15,903	-	-	-	-	2,170	15,355
Total fixed interest securities	7,595	15,903	-	-	49,399	-	2,170	15,355
Unlisted unit trusts								
Units in international equity trusts	-	-	-	-	6,927,862	6,742,698	-	-
Total unlisted unit trusts	-	-	-	-	6,927,862	6,742,698	-	-
Total financial assets at fair value through profit or loss	3,214,016	2,270,972	26,400	23,815	7,090,090	6,877,706	1,298,717	2,130,671

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

7 Financial liabilities at fair value through profit or loss

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial liabilities at fair value through profit or loss								
Derivatives	27,529	13,703	81,757	74,579	55,575	31,972	4,932	3,512
Total financial liabilities at fair value through profit or loss	27,529	13,703	81,757	74,579	55,575	31,972	4,932	3,512
Comprising:								
Derivatives								
Foreign currency forward contracts	27,529	13,703	81,744	74,545	55,518	31,962	4,852	3,510
International share price futures	-	-	13	34	57	10	80	2
Total derivatives	27,529	13,703	81,757	74,579	55,575	31,972	4,932	3,512
Total financial liabilities at fair value through profit or loss	27,529	13,703	81,757	74,579	55,575	31,972	4,932	3,512
	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial liabilities at fair value through profit or loss								
Derivatives	74,109	47,968	1,287	685	363,724	308,417	58,950	69,448
Total financial liabilities at fair value through profit or loss	74,109	47,968	1,287	685	363,724	308,417	58,950	69,448
Comprising:								
Derivatives								
Foreign currency forward contracts	73,887	47,930	1,286	685	363,343	308,218	58,715	69,411
International share price futures	222	38	1	-	381	199	235	37
Total derivatives	74,109	47,968	1,287	685	363,724	308,417	58,950	69,448
Total financial liabilities at fair value through profit or loss	74,109	47,968	1,287	685	363,724	308,417	58,950	69,448

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

8 Derivative financial instruments

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

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

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

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

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

The Funds hold the following derivative instruments:

Forward currency contracts

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

Futures

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	2,399,665	1,236	27,529	2,044,282	439	13,703
Total	2,399,665	1,236	27,529	2,044,282	439	13,703

	Vanguard MSCI Index International Shares (Hedged) ETF					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	7,556,867	25,195	81,744	7,147,122	32,529	74,545
International share price index futures	13,221	55	13	18,965	97	34
Total	7,570,088	25,250	81,757	7,166,087	32,626	74,579

Notes to the financial statements (continued)

For the year ended 30 June 2022

8 Derivative financial instruments (continued)

	Vanguard International Property Securities Index Fund (Hedged)					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	4,855,902	8,997	55,518	5,025,068	438	31,962
Australian share price index futures	-	-	-	361	-	-
International share price index futures	2,409	1	57	4,755	25	10
Total	4,858,311	8,998	55,575	5,030,184	463	31,972

	Vanguard International Small Companies Index Fund (Hedged)					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	463,841	2,002	4,852	349,424	1,672	3,510
International share price index futures	1,662	-	80	741	3	2
Total	465,503	2,002	4,932	350,165	1,675	3,512

	Vanguard Ethically Conscious International Shares Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	6,156,251	24,292	73,887	3,847,845	18,001	47,930
International share price index futures	20,863	133	222	22,440	133	38
Total	6,177,114	24,425	74,109	3,870,285	18,134	47,968

	Vanguard Global Minimum Volatility Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	39,529	227	1,286	38,804	166	685
International share price index futures	193	-	1	428	5	-
Total	39,722	227	1,287	39,232	171	685

	Vanguard International Shares Index Fund (Hedged)					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	33,376,506	112,829	363,343	29,156,389	134,115	308,219
International share price index futures	82,882	-	381	91,965	893	199
Total	33,459,388	112,829	363,724	29,248,354	135,008	308,418

Notes to the financial statements (continued)

For the year ended 30 June 2022

8 Derivative financial instruments (continued)

	Vanguard International Shares Select Exclusions Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	4,780,785	18,338	58,715	5,633,303	28,829	69,411
International share price index futures	25,532	6	235	12,271	114	37
Total	4,806,317	18,344	58,950	5,645,574	28,943	69,448

Risk exposures and fair value measurements

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

9 Net assets attributable to unitholders

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	687,762	429,232	654,994	402,484	19,491	14,675	1,655,862	1,026,643
Applications	218,711	307,415	221,113	292,031	5,050	4,900	432,540	400,902
Redemptions	(205,324)	(107,700)	(208,810)	(103,324)	(2,865)	(150)	(254,850)	(11,632)
Units issued upon reinvestment of distributions	7,412	58,815	7,063	54,977	155	66	13,162	5,221
Distributions paid and payable	-	-	-	(74,747)	-	-	(13)	(177,372)
Profit/(loss) for the year	-	-	28,711	83,573	-	-	(222,366)	412,100
Closing balance as at 30 June	708,561	687,762	703,071	654,994	21,831	19,491	1,624,335	1,655,862

	Vanguard International Property Securities Index Fund (Hedged)				Vanguard International Small Companies Index Fund (Hedged)			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,948,777	1,918,533	1,650,803	1,352,967	66,626	62,641	75,288	56,400
Applications	320,141	478,507	279,752	361,649	44,915	14,326	51,582	16,040
Redemptions	(625,441)	(534,903)	(542,672)	(404,534)	(9,546)	(11,121)	(10,294)	(11,268)
Units issued upon reinvestment of distributions	11,346	86,640	9,619	65,026	777	780	879	860
Distributions paid and payable	-	-	(19,144)	(132,170)	-	-	-	(12,191)
Profit/(loss) for the year	-	-	(154,615)	407,865	-	-	(23,616)	25,447
Closing balance as at 30 June	1,654,823	1,948,777	1,223,743	1,650,803	102,772	66,626	93,839	75,288

Notes to the financial statements (continued)

For the year ended 30 June 2022

9 Net assets attributable to unitholders (continued)

	Vanguard Ethically Conscious International Shares Index Fund							
	ETF Class				AUD Unhedged Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	4,837	2,196	339,728	122,045	636,592	353,064	962,401	421,889
Applications	4,830	2,635	355,282	165,978	461,978	303,813	697,747	406,832
Redemptions	(80)	-	(5,170)	-	(118,790)	(23,456)	(176,907)	(31,472)
Units issued upon reinvestment of distributions	14	6	1,000	330	8,551	3,171	13,354	4,090
Increase/(decrease) in net assets attributable to unitholders	-	-	(79,958)	51,375	-	-	(146,147)	161,062
Closing balance as at 30 June	9,601	4,837	610,882	339,728	988,331	636,592	1,350,448	962,401

	NZD Hedged Class				AUD Hedged Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
	Balance as at 1 July	747,638	486,601	908,476	478,233	42,597	-	43,356
Applications	540,899	233,597	651,328	265,979	106,056	42,597	112,080	42,627
Redemptions	(97,873)	(16,213)	(122,345)	(18,641)	(46,422)	-	(43,916)	-
Units issued upon reinvestment of distributions	6,397	43,653	7,803	49,039	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(216,162)	133,866	-	-	(102,492)	729
Closing balance as at 30 June	1,197,061	747,638	1,229,100	908,476	102,231	42,597	9,028	43,356

	Vanguard Global Minimum Volatility Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	9,783	12,131	12,202	14,890	222	230	11,902	12,143
Applications	2,954	2,746	3,705	3,530	160	35	8,573	1,929
Redemptions	(3,149)	(5,654)	(3,908)	(7,201)	(90)	(45)	(4,755)	(2,484)
Units issued upon reinvestment of distributions	190	560	237	700	1	2	39	109
Increase/(decrease) in net assets attributable to unitholders	-	-	(669)	283	-	-	(860)	205
Closing balance as at 30 June	9,778	9,783	11,567	12,202	293	222	14,899	11,902

	Vanguard International Shares Index Fund (Hedged)							
	AUD Class				NZD Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	7,278,488	6,156,421	6,816,015	5,240,184	7,719	15,385	9,374	19,753
Applications	2,392,204	2,000,238	2,250,983	1,863,548	-	5	-	7
Redemptions	(1,131,217)	(1,632,674)	(1,057,353)	(1,529,956)	(8,121)	(9,459)	(10,464)	(12,591)
Units issued upon reinvestment of distributions	211,313	754,503	198,001	680,585	402	1,788	491	2,208
Increase/(decrease) in net assets attributable to unitholders	-	-	(1,028,223)	561,654	-	-	599	(3)
Closing balance as at 30 June	8,750,788	7,278,488	7,179,423	6,816,015	-	7,719	-	9,374

Notes to the financial statements (continued)

For the year ended 30 June 2022

9 Net assets attributable to unitholders (continued)

	Vanguard International Shares Select Exclusions Index Fund							
	AUD Unhedged Class				AUD Hedged Class			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	470,885	451,618	740,890	579,226	214,482	191,966	268,384	205,116
Applications	102,577	111,967	165,872	159,512	43,255	79,432	55,173	91,106
Redemptions	(373,324)	(102,369)	(592,377)	(149,831)	(202,610)	(81,425)	(254,416)	(97,870)
Units issued upon reinvestment of distributions	26,360	9,669	42,597	12,992	3,555	24,509	4,450	28,534
Increase/(decrease) in net assets attributable to unitholders	-	-	(46,387)	138,991	-	-	(9,473)	41,498
Closing balance as at 30 June	226,498	470,885	310,595	740,890	58,682	214,482	64,118	268,384

	NZD Hedged Class			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000
	Balance as at 1 July	748,061	649,643	1,046,432
Applications	168,043	136,179	238,222	183,242
Redemptions	(154,079)	(95,652)	(222,275)	(127,298)
Units issued upon reinvestment of distributions	17,159	57,891	24,098	76,014
Increase/(decrease) in net assets attributable to unitholders	-	-	(158,704)	146,713
Closing balance as at 30 June	779,184	748,061	927,773	1,046,432

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

Capital risk management

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2022

10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	22,342	5.0108	-	-	-	-
- 31 December	-	-	12,734	2.2355	-	-	50,345	305.1337
- 31 March	-	-	28,495	4.3170	-	-	-	-
Distributions payable								
- 30 June	-	-	11,176	1.6250	13	0.0576	127,027	650.7789
	-	-	74,747	13.1883	13	0.0576	177,372	955.9126

	Vanguard International Property Securities Index Fund (Hedged)				Vanguard International Small Companies Index Fund (Hedged)			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	32,569	1.8166	-	-	1,491	2.5459
- 31 December	-	-	16,549	0.8635	-	-	447	0.7433
- 31 March	-	-	66,221	3.3885	-	-	5,175	8.3125
Distributions payable								
- 30 June	19,144	1.1568	16,831	0.8637	-	-	5,078	7.6215
	19,144	1.1568	132,170	6.9323	-	-	12,191	19.2232

	Vanguard Ethically Conscious International Shares Index Fund ETF Class				AUD Unhedged Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	937	17.7967	351	15.4388	2,597	0.3635	1,337	0.3261
- 31 December	2,491	30.5952	611	19.0377	6,539	0.8266	1,754	0.3741
- 31 March	2,926	32.2271	650	16.4299	7,062	0.8407	1,290	0.2286
Distributions payable								
- 30 June	6,231	63.5605	1,238	24.3955	13,910	1.4075	3,424	0.5379
	12,585	144.1795	2,850	75.3019	30,108	3.4383	7,805	1.4667

	NZD Hedged Class				AUD Hedged Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	3,869	0.7240	-	-	-	-
- 31 December	-	-	17,904	3.1258	-	-	-	-
- 31 March	-	-	37,264	5.9703	-	-	-	-
Distributions payable								
- 30 June	47	0.0039	9,028	1.2075	1	0.0005	445	1.0443
	47	0.0039	68,065	11.0276	1	0.0005	445	1.0443

Notes to the financial statements (continued)

For the year ended 30 June 2022

10 Distributions to unitholders paid and payable (continued)

	Vanguard Global Minimum Volatility Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	280	3.1557	-	-	320	149.1154
- 31 December	-	-	289	3.0795	-	-	303	155.1182
- 31 March	-	-	532	5.8630	-	-	532	251.8101
Distributions payable								
- 30 June	-	-	512	5.2289	-	-	433	194.4579
	-	-	1,613	17.3271	-	-	1,588	750.5016

	Vanguard International Shares Index Fund (Hedged)							
	AUD Class				NZD Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	226,504	3.6365	-	-	940	11.1129
- 31 December	-	-	231,868	3.5413	-	-	894	10.8397
- 31 March	-	-	545,151	8.0476	-	-	1,213	16.4478
Distributions payable								
- 30 June	-	-	329,363	4.5252	-	-	604	7.8231
	-	-	1,332,886	19.7506	-	-	3,651	46.2235

	Vanguard International Shares Select Exclusions Index Fund							
	AUD Unhedged Class				AUD Hedged Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	6,395	1.3066	1,763	0.3738	-	-	8,377	3.8753
- 31 December	14,827	3.0102	3,086	0.5983	-	-	6,944	3.0635
- 31 March	6,783	3.0682	2,634	0.5565	-	-	20,264	8.7857
Distributions payable								
- 30 June	7,232	3.1930	22,104	4.6942	1	0.0020	4,685	2.1842
	35,237	10.5780	29,587	6.2228	1	0.0020	40,270	17.9087

	NZD Hedged Class							
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	-	-	-	-	13,512	2.0891
- 31 December	-	-	-	-	-	-	30,505	4.5494
- 31 March	-	-	-	-	-	-	55,976	7.9728
Distributions payable								
- 30 June	27	0.0035	-	-	27	0.0035	28,965	3.8720
	27	0.0035	-	-	27	0.0035	128,958	18.4833

Notes to the financial statements (continued)

For the year ended 30 June 2022

11 Cash and cash equivalents

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	464	2,052	2,550	24,793	1,362	5,451	1,057	1,148
Foreign cash at bank	145	1,508	3,599	3,801	1,971	674	329	683
Total cash and cash equivalents	609	3,560	6,149	28,594	3,333	6,125	1,386	1,831

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	1,510	3,837	99	109	7,948	96,855	693	7,292
Foreign cash at bank	10,278	26,658	164	273	10,004	22,478	5,449	9,961
Total cash and cash equivalents	11,788	30,495	263	382	17,952	119,333	6,142	17,253

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'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	28,711	83,573	(222,366)	412,100	(154,615)	407,865	(23,616)	25,447
Proceeds from sale of financial instruments at fair value through profit or loss	222,725	146,010	329,554	167,534	624,215	489,551	13,041	19,763
Purchases of financial instruments at fair value through profit or loss	(233,904)	(302,562)	(438,949)	(471,433)	(360,090)	(390,719)	(50,622)	(17,699)
Net (gains)/losses on financial instruments at fair value through profit or loss	14,299	(64,388)	252,547	(381,815)	287,432	(366,024)	28,928	(20,106)
Net change in receivables	(6,589)	9,583	3,745	14,511	(27,398)	(1,716)	(19)	(1,385)
Net change in payables	(6)	8	(3)	(42)	(13)	5	2	1
Non-cash items	(36,664)	(28,990)	(34,147)	(45,072)	(105,971)	(40,669)	(5,362)	(4,004)
Net cash inflow/(outflow) from operating activities	(11,428)	(156,766)	(109,619)	(304,217)	263,560	98,293	(37,648)	2,017
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	7,063	54,977	13,162	5,221	9,619	65,026	879	860

Notes to the financial statements (continued)

For the year ended 30 June 2022

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

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Increase/(decrease) in net assets attributable to unitholders	(544,759)	347,032	(1,529)	488	(1,027,624)	561,651	(214,564)	327,202
Distribution to unitholders	42,741	79,165	-	3,201	-	1,336,537	35,265	198,815
Proceeds from sale of financial instruments at fair value through profit or loss	187,802	1,124,031	17,263	20,913	540,003	1,461,913	1,017,100	1,284,481
Purchases of financial instruments at fair value through profit or loss	(1,717,531)	(1,934,119)	(20,734)	(15,142)	(1,632,742)	(1,294,378)	(428,808)	(1,342,841)
Net (gains)/losses on financial instruments at fair value through profit or loss	540,417	(407,130)	1,990	(3,300)	1,309,193	(1,572,311)	203,221	(500,659)
Net change in receivables	(2,934)	(1,413)	(28)	10	23,121	8,776	(441)	(952)
Net change in payables	196	211	1	(1)	9	72	(131)	96
Non-cash items	-	-	-	(4)	(307,542)	(337,038)	-	(32)
Net cash inflow/(outflow) from operating activities	(1,494,068)	(792,223)	(3,037)	6,165	(1,095,582)	165,222	611,642	(33,890)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	22,157	53,459	276	809	198,492	682,793	71,145	117,540

13 Remuneration of auditors

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

	Vanguard MSCI Index International Shares (Hedged) ETF	
	30 Jun 2022 \$	30 Jun 2021 \$
Auditors of the Funds - PwC		
Audit and review of financial statements	23,095	25,265
Other assurance services		
Audit of compliance plan and specified assertions report	3,452	3,388
Other non-audit services		
Tax compliance services	5,714	6,905
Total services provided by PwC	32,261	35,558

Notes to the financial statements (continued)

For the year ended 30 June 2022

13 Remuneration of auditors (continued)

	Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021
	\$	\$
Auditors of the Funds - PwC		
Audit and review of financial statements	20,560	17,720
Other assurance services		
Audit of compliance plan, specified assertions report and internal controls report	9,598	10,451
Other non-audit services		
Tax compliance services	5,714	6,905
Total services provided by PwC	35,872	35,076

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard International Property Securities Index Fund (Hedged)		Vanguard Ethically Conscious International Shares Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC						
Audit and review of financial statements	20,595	22,765	21,095	23,265	27,095	29,265
Other assurance services						
Audit of compliance plan, specified assertions report and internal controls report	9,598	10,451	9,598	10,451	9,598	10,451
Other non-audit services						
Tax compliance services	5,714	6,905	5,714	6,905	28,818	29,840
Total services provided by PwC	35,907	40,121	36,407	40,621	65,511	69,556

	Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC						
Audit and review of financial statements	24,095	26,265	28,095	30,265	24,095	26,265
Other assurance services						
Audit of compliance plan, specified assertions report and internal controls report	9,598	10,451	9,598	10,451	9,598	10,451
Other non-audit services						
Tax compliance services	8,829	10,020	10,096	11,277	22,821	23,885
Total services provided by PwC	42,522	46,736	47,789	51,993	56,514	60,601

Notes to the financial statements (continued)

For the year ended 30 June 2022

14 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Funds. The Funds consider investments in unit trusts and managed funds to be structured entities. The Funds have exposures to unconsolidated structured entities through their investment activities and these have been accounted for as financial assets at fair value through profit or loss. The nature and extent of the Funds' interests in related unconsolidated structured entities are units in underlying funds and are summarised in note 15. There are no significant interests in unrelated unconsolidated structured entities held by the Funds as at the reporting date.

The Funds' maximum exposure to loss is restricted to the carrying value of the assets. Exposure to trading assets is managed in accordance with financial risk management practices as set out in note 3, which includes an indication of changes in risk measures compared to prior year.

During the year, the Funds have not provided any financial or other support to unconsolidated structured entities and have no intention of providing financial or other support to unconsolidated structured entities in the future.

15 Related party transactions

Responsible Entity

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

Key management personnel

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

J Platt (Resigned 21 January 2022)

F Kolimago (Resigned 15 October 2021)

C Mclsaac (Resigned 21 January 2022)

C Cosby (Resigned 31 December 2021)

D Shrimski

J Bendl (Appointed 21 January 2022)

C Jacques (Appointed 21 January 2022)

K Petersen (Appointed 21 January 2022)

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 2022 and 30 June 2021.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2022

15 Related party transactions (continued)

Key management personnel loan disclosures

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

Responsible Entity's fees and other transactions

During the year ended 30 June 2022, 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	
	2022 % per annum	2021 % per annum
Vanguard Global Infrastructure Index Fund (Hedged)	0.52	0.52
Vanguard MSCI Index International Shares (Hedged) ETF	0.21	0.21
Vanguard International Property Securities Index Fund (Hedged)	0.43	0.43
Vanguard International Small Companies Index Fund (Hedged)	0.42	0.42
Vanguard Ethically Conscious International Shares Index Fund - ETF Class	0.18	0.18
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class	0.20	0.20
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class	0.26	0.26
Vanguard Ethically Conscious International Shares Index Fund - AUD Hedged Class	0.23	0.23
Vanguard Global Minimum Volatility Fund - Wholesale Class	0.35	0.35
Vanguard Global Minimum Volatility Fund - ETF Class	0.28	0.28
Vanguard International Shares Index Fund (Hedged) - AUD Class	0.21	0.21
Vanguard International Shares Index Fund (Hedged) - NZD Class	0.24	0.24
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class	0.20	0.20
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class	0.23	0.23
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class	0.26	0.26

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	217,808	185,925	592,600	486,735	499,872	491,668	37,618	26,643
Total fees payable to the Responsible Entity at year end	13,028	15,851	46,850	46,479	25,972	39,361	3,258	2,330

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	6,686,381	3,383,345	88,160	77,709	2,653,441	2,217,281	4,601,699	4,370,302
Total fees payable to the Responsible Entity at year end	588,532	392,476	6,757	6,422	204,209	193,139	270,917	398,053

Notes to the financial statements (continued)

For the year ended 30 June 2022

15 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 and information about the Funds' interests in unconsolidated structured entities is included in the following tables. The fair values of a Fund's investments in each of its underlying funds represent the Fund's maximum exposure in these underlying funds.

Vanguard Global Infrastructure Index Fund (Hedged)								
	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	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 \$
30 Jun 2021 Unitholder								
Vanguard Managed Payout Fund	902,361	-	Australia	-	-	98,902	1,001,263	-

Vanguard International Property Securities Index Fund (Hedged)								
	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	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 \$
30 Jun 2021 Unitholder								
Vanguard Managed Payout Fund	1,240,337	-	Australia	-	-	143,897	1,384,234	-

Vanguard Global Minimum Volatility Fund								
	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	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 \$
30 Jun 2021 Unitholder								
Vanguard Managed Payout Fund	3,657,092	-	Australia	-	-	66,590	3,723,682	-

Vanguard International Shares Index Fund (Hedged)								
	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	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 \$
30 Jun 2022 Unitholder								
Vanguard Index Hedged International Shares Fund	202,369,726	203,932,281	Australia	167,306,043	2.33	14,882,242	13,319,687	-
Vanguard LifeStrategy® Conservative Fund	3,075,993	2,940,705	Australia	2,412,555	0.03	224,147	359,435	-
Vanguard LifeStrategy® Balanced Fund	16,688,827	16,683,189	Australia	13,686,889	0.19	2,475,753	2,481,391	-
Vanguard LifeStrategy® Growth Fund	36,280,826	38,719,185	Australia	31,765,220	0.44	4,169,804	1,731,445	-
Vanguard LifeStrategy® High Growth Fund	59,337,363	65,763,224	Australia	53,952,149	0.75	7,132,437	706,576	-
Vanguard Conservative Index Fund	175,273,218	210,479,220	Australia	172,677,152	2.41	54,471,913	19,265,911	-
Vanguard Balanced Index Fund	654,036,170	819,014,916	Australia	671,919,837	9.36	226,250,886	61,272,140	-
Vanguard Growth Index Fund	965,424,308	1,271,958,226	Australia	1,043,514,528	14.54	358,185,807	51,651,889	-
Vanguard High Growth Index Fund	862,793,445	1,183,426,371	Australia	970,882,994	13.52	360,766,814	40,133,888	-

Notes to the financial statements (continued)

For the year ended 30 June 2022

15 Related party transactions (continued)

Related party unitholdings (continued)

30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Vanguard International Shares Index Fund (Hedged)					
			Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Index Hedged International Shares Fund	182,080,305	202,369,726	Australia	189,478,775	2.78	44,949,841	24,660,420	38,106,309
Vanguard LifeStrategy® Conservative Fund	3,688,352	3,075,993	Australia	2,880,052	0.04	2,550,564	3,162,923	629,888
Vanguard LifeStrategy® Balanced Fund	16,568,198	16,688,827	Australia	15,625,749	0.23	6,616,950	6,496,321	3,231,528
Vanguard LifeStrategy® Growth Fund	33,822,192	36,280,826	Australia	33,969,738	0.50	12,572,012	10,113,378	6,796,395
Vanguard LifeStrategy® High Growth Fund	50,859,078	59,337,363	Australia	55,557,573	0.82	19,584,114	11,105,829	10,806,016
Vanguard Conservative Index Fund	168,495,721	175,273,218	Australia	164,108,314	2.41	98,416,329	91,638,832	33,151,000
Vanguard Balanced Index Fund	562,824,774	654,036,170	Australia	612,374,066	8.99	292,520,592	201,309,196	118,823,500
Vanguard Growth Index Fund	795,278,776	965,424,308	Australia	903,926,779	13.26	423,385,489	253,239,957	170,614,739
Vanguard High Growth Index Fund	626,728,718	862,793,445	Australia	807,833,503	11.85	437,988,366	201,923,639	146,412,707

Investments

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

30 Jun 2022	Vanguard Global Infrastructure Index Fund (Hedged)						
	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard Global Infrastructure Index Fund	686,643,411	Australia	57.58	43,251,519	206,504,879	210,924,105	14,134,172
	686,643,411			43,251,519	206,504,879	210,924,105	14,134,172

30 Jun 2021	Vanguard Global Infrastructure Index Fund (Hedged)						
	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard Global Infrastructure Index Fund	653,207,741	Australia	61.85	19,401,917	284,052,384	89,810,989	7,545,522
	653,207,741			19,401,917	284,052,384	89,810,989	7,545,522

30 Jun 2022	Vanguard MSCI Index International Shares (Hedged) ETF						
	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Shares Index Fund - B Class	1,597,731,647	Australia	0.24	30,400,570	4,747,719	3,636,224	10,051,238
	1,597,731,647			30,400,570	4,747,719	3,636,224	10,051,238

Notes to the financial statements (continued)

For the year ended 30 June 2022

15 Related party transactions (continued)

Investments (continued)

Vanguard MSCI Index International Shares (Hedged) ETF							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2021	\$		%	\$	Units	Units	\$
Vanguard International Shares Index Fund - B Class	1,635,343,104	Australia	0.25	30,559,508	5,937,402	1,444,689	13,797,313
	1,635,343,104			30,559,508	5,937,402	1,444,689	13,797,313

Vanguard International Property Securities Index Fund (Hedged)							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2022	\$		%	\$	Units	Units	\$
Vanguard International Property Securities Index Fund	1,184,681,665	Australia	65.11	133,369,209	387,177,221	615,871,177	42,455,145
	1,184,681,665			133,369,209	387,177,221	615,871,177	42,455,145

Vanguard International Property Securities Index Fund (Hedged)							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2021	\$		%	\$	Units	Units	\$
Vanguard International Property Securities Index Fund	1,635,111,907	Australia	71.07	42,381,878	417,049,331	371,326,716	15,056,997
	1,635,111,907			42,381,878	417,049,331	371,326,716	15,056,997

Vanguard International Small Companies Index Fund (Hedged)							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2022	\$		%	\$	Units	Units	\$
Vanguard International Small Companies Index Fund	89,648,354	Australia	6.02	5,380,301	28,405,450	8,664,170	2,339,537
	89,648,354			5,380,301	28,405,450	8,664,170	2,339,537

Vanguard International Small Companies Index Fund (Hedged)							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2021	\$		%	\$	Units	Units	\$
Vanguard International Small Companies Index Fund	72,856,161	Australia	5.09	5,389,019	11,834,956	10,393,199	2,321,588
	72,856,161			5,389,019	11,834,956	10,393,199	2,321,588

Vanguard International Shares Index Fund (Hedged)							
	Fair value of investment	Country of Establishment and Principal Place of Business	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
30 Jun 2022	\$		%	\$	Units	Units	\$
Vanguard International Shares Index Fund	6,927,861,534	Australia	35.45	284,367,600	663,775,238	319,835,672	151,672,879
	6,927,861,534			284,367,600	663,775,238	319,835,672	151,672,879

Notes to the financial statements (continued)

For the year ended 30 June 2022

15 Related party transactions (continued)

Investments (continued)

30 Jun 2021	Vanguard International Shares Index Fund (Hedged)						
	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Shares Index Fund	6,742,698,480	Australia	34.35	328,267,086	648,174,031	413,606,916	174,846,820
	6,742,698,480			328,267,086	648,174,031	413,606,916	174,846,820

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.

16 Responsible Entity's fees

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	218	186	593	487	500	492	38	27
Management costs per annum	0.52%	0.52%	0.21%	0.21%	0.43%	0.43%	0.42%	0.42%

	Vanguard Ethically Conscious International Shares Index Fund							
	ETF Class		AUD Unhedged Class		NZD Hedged Class		AUD Hedged Class	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	980	369	2,434	1,281	3,060	1,725	212	8
Management costs per annum	0.18%	0.18%	0.20%	0.20%	0.26%	0.26%	0.23%	0.23%

	Vanguard Global Minimum Volatility Fund				Vanguard International Shares Index Fund (Hedged)			
	Wholesale Class		ETF Class		AUD Class		NZD Class	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	45	44	43	34	2,651	2,209	2	8
Management costs per annum	0.35%	0.35%	0.28%	0.28%	0.21%	0.21%	0.24%	0.24%

Notes to the financial statements (continued)

For the year ended 30 June 2022

16 Responsible Entity's fees (continued)

	Vanguard International Shares Select Exclusions Index Fund					
	AUD Unhedged Class		AUD Hedged Class		NZD Hedged Class	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,320	1,378	514	622	2,768	2,370
Management costs per annum	0.20%	0.20%	0.23%	0.23%	0.26%	0.26%

17 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 2022		30 Jun 2021	
	Value of outstanding securities on loan	Value of collateral	Value of outstanding securities on loan	Value of collateral
	\$'000	\$'000	\$'000	\$'000
Vanguard Ethically Conscious International Shares Index Fund	7,530	8,091	4,540	4,906
Vanguard International Shares Select Exclusions Index Fund	2,239	2,399	2,555	2,762
Vanguard Global Minimum Volatility Fund	288	313	-	-

18 Operating segments

Operating segments are reported in a manner consistent with internal reporting used by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the Responsible Entity. The Funds' investments are managed on a single portfolio basis in one operating segment, being investments in equity securities, listed unit trusts, unlisted unit trusts, fixed interest securities, derivatives and cash and cash equivalents, and performance is reviewed against the performance of the Funds' target.

19 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 2022 or on the results and cash flows of the Funds for the year ended on that date.

20 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 (30 June 2021: Nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 10 to 60 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 2022 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.



D Shrimski
Managing Director, Vanguard Investments Australia Ltd
Melbourne
9 September 2022



Independent auditor's report

To the unitholders of:

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

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

*denotes listed Funds

Report on the audit of the financial report

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2022 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 2022
- 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.

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.

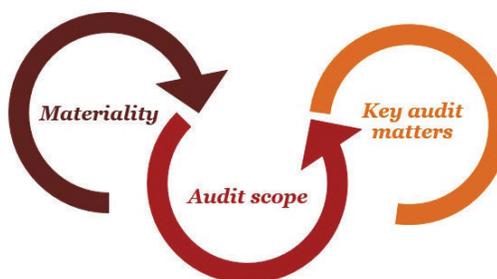
Independence

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 for:
 - Vanguard International Small Companies Index Fund (Hedged), we used approximately 2.5% of the Fund's net assets to set our overall materiality
 - all the other Funds, we used approximately 1% of each Fund's net assets to set our overall materiality for each Fund.



- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is the metric against which the performance of the Funds is most commonly measured and is a generally accepted benchmark in the fund industry.
- We utilised 1% or 2.5% as the thresholds based on our professional judgement, noting they are within the range of commonly acceptable thresholds.

Audit Scope

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was 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 this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter 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 and financial liabilities 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 2022, investments in financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss comprised primarily of investments in listed equity securities, listed unit trusts, unlisted unit trusts, fixed interest securities and derivatives.

Investments in financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss was a key audit

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 those service providers, 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



Key audit matter	How our audit addressed the key audit matter
<p>matter because investments represent the principal element of the balance sheets. 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.</p>	<p>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.</p> <p>We inspected an independent audit report issued by the third-party service provider's auditor on the valuation and existence of the Funds' investments as at balance sheet date. We compared the value of the investments at 30 June 2022 as recorded in the Funds' financial report and underlying accounting records to this report.</p> <p>For investments not held in custody by the custodian, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• For a sample of collateral and forward currency contracts held at year end, we obtained a confirmation from the counterparties or from the unit registry for investments in unlisted unit trusts at year end and compared the confirmed balances to the Funds' accounting records.• We compared the prices used by the Funds to value unlisted unit trust investments to the most recent audited financial statements of the unlisted unit trusts and to the 30 June 2022 price quoted by the unlisted unit trusts' Responsible Entity.• We obtained the trade ticket for repurchase agreements and compared the loan amounts to the Funds' accounting records.• We compared the loan amounts for repurchase agreements to cash settlement after year end.



Other information

The directors of the Responsible Entity (the directors) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, 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 for the financial report

The directors 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 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 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 either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf, for the listed funds and
http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf, for the unlisted funds. These descriptions form part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Adrian Gut' in a cursive script.

Adrian Gut
Partner

Melbourne
9 September 2022

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