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# Interim Report

for the Vanguard® Exchange Traded Funds

14 March 2023

Vanguard Investments Australia Ltd announces the following:

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

Vanguard has prepared an interim report for the half year ended 31 December 2022, for the Vanguard Wholesale Fixed Income Funds 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 interim report provides financial information for each fund and where indicated, provides specific information for the ETF class.

## Further Information

If you have any queries on Vanguard ETFs, please visit [vanguard.com.au](http://vanguard.com.au)

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.

© 2023 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) ("Vanguard") is the issuer of the Vanguard® Australian ETFs.

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](http://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 these Fund before making any investment decisions. You can access our disclosure documents at [vanguard.com.au](http://vanguard.com.au) or by calling 1300 655 101. This publication was prepared in good faith and we accept no liability for any errors or omissions.

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Interim report for the period ended 31 December 2022

# Vanguard Wholesale Fixed Income Funds and ETFs

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## Vanguard Wholesale Fixed Income Funds and ETFs

<b>Fund</b>	<b>ASX</b>	<b>ARSN</b>	<b>ABN</b>
Vanguard Australian Inflation-Linked Bond Index Fund	-	147 936 249	69 769 407 563
Vanguard Short Term Fixed Interest Fund	-	090 940 060	19 638 293 529
Vanguard Cash Reserve Fund	-	127 015 301	62 738 136 510
Vanguard Australian Corporate Fixed Interest Index Fund	VACF	147 938 001	51 978 865 366
Vanguard Australian Fixed Interest Index Fund	VAF	090 939 941	52 931 145 473
Vanguard Australian Government Bond Index Fund	VGB	134 177 807	23 499 844 319
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	VEFI	618 349 090	40 120 502 284
Vanguard Global Aggregate Bond Index Fund (Hedged)	VBND	618 350 539	14 933 513 845
Vanguard International Credit Securities Index Fund (Hedged)	VCF	095 366 055	15 118 646 737
Vanguard International Fixed Interest Index Fund (Hedged)	VIF	090 940 337	59 108 266 812

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# About Vanguard

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

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

With over AUD \$10.6 trillion in assets under management globally as of 31 December 2022, including AUD \$3 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 Fixed Income Funds and ETFs (the "Funds") for the half-year ended 31 December 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 half-year ended 31 December 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 Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. The Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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

The Funds did not have any employees during the half-year.

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

## Directors

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

D Shrimski

J Bendl

C Jacques

K Petersen

## Review and results of operations

The Funds invest in fixed interest securities, money market securities, derivatives and cash and cash equivalents. The investment policy of the Funds continues to be in accordance with the provisions of the Funds' Constitution.

## Results

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

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	5,381	16,976	3,753	(1,474)	7,132	(1,099)	8,201	(12,852)
<b>Distributions - Wholesale Class</b>								
Distribution paid and payable (\$'000)	-	8,706	2,475	287	6,727	-	535	1,896
Distribution (cents per unit)	-	1.2056	0.9044	0.0310	1.1153	-	0.1869	0.8208
<b>Distributions - ETF Class</b>								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	1,150	5,102
Distribution (cents per unit)	-	-	-	-	-	-	9.8837	40.4168

# Directors' report (continued)

## Review and results of operations (continued)

### Results (continued)

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(26,209)	(111,545)	(9,705)	(13,357)	(13,376)	2,879
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	20,178	85,331	-	3,090	-	-
Distribution (cents per unit)	0.3764	1.2902	-	0.4971	-	-
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	5,728	15,802	-	2,600	439	408
Distribution (cents per unit)	16.9180	56.4083	-	24.6735	29.1761	23.1369
<b>Distributions - AUD Hedged Class</b>						
Distribution paid and payable (\$'000)	-	-	-	-	392	1,161
Distribution (cents per unit)	-	-	-	-	0.5289	0.4861
<b>Distributions - NZD Hedged Class</b>						
Distribution paid and payable (\$'000)	-	-	-	-	8,219	5,399
Distribution (cents per unit)	-	-	-	-	0.5114	0.4106

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(299,220)	(19,239)	(13,482)	506	(81,516)	(2,446)
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	52,837	44,748	3,706	4,661	6,014	6,534
Distribution (cents per unit)	0.6320	0.5745	1.0145	1.1193	0.4771	0.4752
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	4,382	2,731	1,909	2,088	3,408	2,978
Distribution (cents per unit)	30.3725	28.7145	41.7618	44.2797	19.0471	20.3262

### 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 six months period 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 %
Vanguard Australian Inflation-Linked Bond Index Fund		
Capital growth	1.83	0.96
Distribution of income	-	0.99
Total return	1.83	1.95
Benchmark		
<i>Bloomberg AusBond Inflation Treasury 1+ Yr Index</i>	1.89	2.17

# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	2022 %	2021 %
Vanguard Short Term Fixed Interest Fund		
Capital growth	0.46	(0.14)
Distribution of income	0.90	0.03
Total return	1.36	(0.11)
Benchmark		
<i>Bloomberg AusBond Bank Bill Index</i>	1.17	0.01
	2022 %	2021 %
Vanguard Cash Reserve Fund		
Capital growth	0.07	(0.07)
Distribution of income	1.12	-
Total return	1.19	(0.07)
Benchmark		
<i>Bloomberg AusBond Bank Bill Index</i>	1.17	0.01
	2022 %	2021 %
Vanguard Australian Corporate Fixed Interest Index Fund		
Capital growth	0.81	(2.08)
Distribution of income	0.19	0.74
Total return	1.00	(1.34)
Benchmark		
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	1.05	(1.28)
	2022 %	2021 %
Vanguard Australian Fixed Interest Index Fund		
Capital growth	(0.72)	(2.29)
Distribution of income	0.37	1.11
Total return	(0.35)	(1.18)
Benchmark		
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	(0.27)	(1.15)
	2022 %	2021 %
Vanguard Australian Government Bond Index Fund		
Capital growth	(0.63)	(1.63)
Distribution of income	-	0.46
Total return	(0.63)	(1.17)
Benchmark		
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	(0.53)	(1.12)
	2022 %	2021 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged Class		
Capital growth	(4.64)	(0.67)
Distribution of income	0.64	0.49
Total return	(4.00)	(0.18)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in AUD</i>	(3.79)	(0.08)



# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	2022 %	2021 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - ETF Class		
Capital growth	(4.68)	(0.65)
Distribution of income	0.67	0.47
Total return	(4.01)	(0.18)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in AUD</i>	(3.79)	(0.08)
	2022 %	2021 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged Class		
Capital growth	(4.45)	(0.48)
Distribution of income	0.66	0.45
Total return	(3.79)	(0.03)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in NZD</i>	(3.55)	0.11
	2022 %	2021 %
Vanguard Global Aggregate Bond Index Fund (Hedged)		
Capital growth	(4.67)	(0.78)
Distribution of income	0.75	0.60
Total return	(3.92)	(0.18)
Benchmark		
<i>Bloomberg Global Aggregate Float-Adjusted and Scaled Index in AUD</i>	(3.70)	(0.06)
	2022 %	2021 %
Vanguard International Credit Securities Index Fund (Hedged)		
Capital growth	(3.84)	(1.19)
Distribution of income	1.09	1.02
Total return	(2.75)	(0.17)
Benchmark		
<i>Bloomberg Global Aggregate Corporate and Government-Related Scaled Index in AUD</i>	(2.53)	(0.003)
	2022 %	2021 %
Vanguard International Fixed Interest Index Fund (Hedged)		
Capital growth	(4.83)	(0.53)
Distribution of income	0.49	0.45
Total return	(4.34)	(0.08)
Benchmark		
<i>Bloomberg Global Treasury Scaled Index in AUD</i>	(4.14)	0.03

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

### Significant changes in state of affairs

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 half-year.

# Directors' report (continued)

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

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

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

## Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, unless otherwise indicated.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

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



Daniel Shrimski

*Managing Director, Vanguard Investments Australia Ltd*

Melbourne

9 March 2023



## Auditor's Independence Declaration

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

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

\* denotes listed Funds

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

A handwritten signature in black ink, appearing to read 'Adrian Gut'.

Adrian Gut  
Partner  
PricewaterhouseCoopers

Melbourne  
9 March 2023

# Statements of comprehensive income

For the half-year ended 31 December 2022

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>								
Interest income	5	-	4	-	38	-	28	-
Net gains/(losses) on financial instruments at fair value through profit or loss	5,923	18,306	4,022	(629)	7,567	90	9,003	(11,793)
Other operating income	5	-	-	-	13	1	86	37
<b>Total net investment income/(loss)</b>	<b>5,933</b>	<b>18,306</b>	<b>4,026</b>	<b>(629)</b>	<b>7,618</b>	<b>91</b>	<b>9,117</b>	<b>(11,756)</b>
<b>Expenses</b>								
Responsible Entity's fees	550	1,328	268	838	458	1,182	908	1,077
Custody fees	2	2	4	4	6	4	5	16
Transaction costs	-	-	1	3	2	4	2	2
Other operating expenses	-	-	-	-	20	-	1	1
<b>Total operating expenses</b>	<b>552</b>	<b>1,330</b>	<b>273</b>	<b>845</b>	<b>486</b>	<b>1,190</b>	<b>916</b>	<b>1,096</b>
<b>Operating profit/(loss)</b>	<b>5,381</b>	<b>16,976</b>	<b>3,753</b>	<b>(1,474)</b>	<b>7,132</b>	<b>(1,099)</b>	<b>8,201</b>	<b>(12,852)</b>
<b>Finance costs attributable to unitholders</b>								
Distributions to unitholders	5	-	-	-	-	-	(1,685)	(6,998)
(Increase)/decrease in net assets attributable to unitholders	4	-	-	-	-	-	(6,516)	19,850
<b>Profit/(loss) for the half-year</b>	<b>5,381</b>	<b>16,976</b>	<b>3,753</b>	<b>(1,474)</b>	<b>7,132</b>	<b>(1,099)</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>5,381</b>	<b>16,976</b>	<b>3,753</b>	<b>(1,474)</b>	<b>7,132</b>	<b>(1,099)</b>	<b>-</b>	<b>-</b>

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

# Statements of comprehensive income (continued)

For the half-year ended 31 December 2022

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Interest income		56	-	28	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		(19,879)	(101,651)	(8,377)	(12,022)	(11,186)	4,929
Other operating income		29	70	110	16	23	35
<b>Total net investment income/(loss)</b>		<b>(19,794)</b>	<b>(101,581)</b>	<b>(8,239)</b>	<b>(12,006)</b>	<b>(11,163)</b>	<b>4,964</b>
<b>Expenses</b>							
Responsible Entity's fees		6,404	9,942	1,457	1,346	1,840	1,906
Custody fees		10	19	9	5	43	29
Transaction costs		1	3	-	-	7	5
Withholding tax expense		-	-	-	-	89	92
Other operating expenses		-	-	-	-	234	53
<b>Total operating expenses</b>		<b>6,415</b>	<b>9,964</b>	<b>1,466</b>	<b>1,351</b>	<b>2,213</b>	<b>2,085</b>
<b>Operating profit/(loss)</b>		<b>(26,209)</b>	<b>(111,545)</b>	<b>(9,705)</b>	<b>(13,357)</b>	<b>(13,376)</b>	<b>2,879</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	5	(25,906)	(101,133)	-	(5,690)	(9,050)	(6,968)
(Increase)/decrease in net assets attributable to unitholders	4	52,115	212,678	9,705	19,047	22,426	4,089
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Balance sheets

As at 31 December 2022

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents		-	505	86	22	3,476	27	3,185	2,131
Margin accounts		8	8	78	42	128	139	152	276
Receivables		26	33	108	117	730	45	542	287
Due from brokers - receivable for securities sold		1,368	1,440	991	-	-	-	1,580	2,914
Financial assets at fair value through profit or loss	3	368,829	388,178	261,743	287,760	611,442	602,394	823,004	858,160
<b>Total assets</b>		<b>370,231</b>	<b>390,164</b>	<b>263,006</b>	<b>287,941</b>	<b>615,776</b>	<b>602,605</b>	<b>828,463</b>	<b>863,768</b>
<b>Liabilities</b>									
Bank overdraft		90	-	-	-	-	-	-	-
Distribution payable	5	-	-	489	-	1,470	133	-	602
Payables		277	177	435	389	3,588	969	394	280
Due to brokers - payables for securities purchased		1,130	1,722	-	-	-	-	3,905	4,755
Financial liabilities at fair value through profit or loss	3	-	-	-	-	-	-	69	-
<b>Total liabilities</b>		<b>1,497</b>	<b>1,899</b>	<b>924</b>	<b>389</b>	<b>5,058</b>	<b>1,102</b>	<b>4,368</b>	<b>5,637</b>
<b>Net assets attributable to unitholders (equity)</b>	4	<b>368,734</b>	<b>388,265</b>	<b>262,082</b>	<b>287,552</b>	<b>610,718</b>	<b>601,503</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>824,095</b>	<b>858,131</b>

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		26,439	15,312	3,309	3,159	21,435	11,306
Margin accounts		2,771	641	721	182	4,748	19,245
Receivables		2,513	21,114	1,084	3,717	137	307
Accrued income		-	-	-	-	-	11
Due from brokers - receivable for securities sold		61,303	138,232	11,957	32,392	22,573	52,523
Financial assets at fair value through profit or loss	3	7,148,742	6,965,808	1,399,217	1,243,267	1,375,662	1,362,326
<b>Total assets</b>		<b>7,241,768</b>	<b>7,141,107</b>	<b>1,416,288</b>	<b>1,282,717</b>	<b>1,424,555</b>	<b>1,445,718</b>
<b>Liabilities</b>							
Margin accounts		4,445	-	1,250	284	9,970	21,239
Distribution payable	5	9,784	-	-	-	5,950	7,287
Payables		5,118	67,734	389	624	428	423
Due to brokers - payables for securities purchased		69,160	105,728	13,846	37,569	18,663	2,668
Financial liabilities at fair value through profit or loss	3	220,370	99,710	62,205	20,454	47,031	143,713
<b>Total liabilities</b>		<b>308,877</b>	<b>273,172</b>	<b>77,690</b>	<b>58,931</b>	<b>82,042</b>	<b>175,330</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>6,932,891</b>	<b>6,867,935</b>	<b>1,338,598</b>	<b>1,223,786</b>	<b>1,342,513</b>	<b>1,270,388</b>

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

# Balance sheets (continued)

As at 31 December 2022

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		131,193	100,201	5,039	5,336	13,593	8,401
Margin accounts		5,731	2,016	600	1,077	2,168	357
Receivables		2,393	2,234	439	4,715	1,928	994
Accrued income		-	-	-	1	-	-
Due from brokers - receivable for securities sold		87,816	259,605	2,137	9,668	21,938	43,262
Financial assets at fair value through profit or loss	3	7,540,797	7,385,957	504,086	523,344	1,882,495	1,870,811
<b>Total assets</b>		<b>7,767,930</b>	<b>7,750,013</b>	<b>512,301</b>	<b>544,141</b>	<b>1,922,122</b>	<b>1,923,825</b>
<b>Liabilities</b>							
Margin accounts		21,018	27,153	1,730	910	5,733	2,441
Distribution payable	5	37,322	32,819	3,737	3,763	6,398	14,830
Payables		9,946	103,429	461	162	667	4,380
Due to brokers - payables for securities purchased		96,540	22,927	257	1,682	7,721	4,976
Financial liabilities at fair value through profit or loss	3	151,380	365,006	7,881	25,565	53,702	88,016
<b>Total liabilities</b>		<b>316,206</b>	<b>551,334</b>	<b>14,066</b>	<b>32,082</b>	<b>74,221</b>	<b>114,643</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>7,451,724</b>	<b>7,198,679</b>	<b>498,235</b>	<b>512,059</b>	<b>1,847,901</b>	<b>1,809,182</b>

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

# Statements of comprehensive income (continued)

For the half-year ended 31 December 2022

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Net gains/(losses) on financial instruments at fair value through profit or loss		(289,173)	(9,035)	(12,684)	1,692	(79,077)	447
Other operating income		265	125	52	45	103	64
<b>Total net investment income/(loss)</b>		<b>(288,908)</b>	<b>(8,910)</b>	<b>(12,632)</b>	<b>1,737</b>	<b>(78,974)</b>	<b>511</b>
<b>Expenses</b>							
Responsible Entity's fees		8,846	9,481	804	1,151	2,208	2,739
Custody fees		38	32	32	17	16	16
Transaction costs		6	8	1	2	2	2
Withholding tax expense		569	494	5	51	121	129
Other operating expenses		853	314	8	10	195	71
<b>Total operating expenses</b>		<b>10,312</b>	<b>10,329</b>	<b>850</b>	<b>1,231</b>	<b>2,542</b>	<b>2,957</b>
<b>Operating profit/(loss)</b>		<b>(299,220)</b>	<b>(19,239)</b>	<b>(13,482)</b>	<b>506</b>	<b>(81,516)</b>	<b>(2,446)</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	5	(57,219)	(47,479)	(5,615)	(6,749)	(9,422)	(9,512)
(Increase)/decrease in net assets attributable to unitholders	4	356,439	66,718	19,097	6,243	90,938	11,958
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



# Statements of changes in equity

For the half-year ended 31 December 2022

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>	<b>388,265</b>	897,897	<b>287,552</b>	580,635	<b>601,503</b>	1,602,302	-	-
<b>Comprehensive income for the half-year</b>								
Profit/(loss) for the half-year	5,381	16,976	3,753	(1,474)	7,132	(1,099)	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>5,381</b>	16,976	<b>3,753</b>	(1,474)	<b>7,132</b>	(1,099)	-	-
<b>Transactions with unitholders</b>								
Applications	39,713	41,445	36,456	618,554	66,232	91,041	-	-
Redemptions	(64,625)	(72,231)	(63,426)	(161,296)	(61,477)	(152,691)	-	-
Units issued upon reinvestment of distributions	-	14,497	222	622	4,055	-	-	-
Distributions paid and payable	5	(8,706)	(2,475)	(287)	(6,727)	-	-	-
<b>Total transactions with unitholders</b>	<b>(24,912)</b>	(24,995)	<b>(29,223)</b>	457,593	<b>2,083</b>	(61,650)	-	-
<b>Total equity at the end of the half-year</b>	<b>368,734</b>	889,878	<b>262,082</b>	1,036,754	<b>610,718</b>	1,539,553	-	-

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>	-	-	-	-	-	-
<b>Comprehensive income for the half-year</b>						
Profit/(loss) for the half-year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Transactions with unitholders</b>						
Applications	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	-	-	-	-
Distributions paid and payable	5	-	-	-	-	-
<b>Total transactions with unitholders</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Total equity at the end of the half-year</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-

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

# Statements of changes in equity (continued)

For the half-year ended 31 December 2022

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		-	-	-	-	-	-
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	-	-	-
<b>Transactions with unitholders</b>							
Applications		-	-	-	-	-	-
Redemptions		-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-
Distributions paid and payable	5	-	-	-	-	-	-
<b>Total transactions with unitholders</b>		-	-	-	-	-	-
<b>Total equity at the end of the half-year</b>		-	-	-	-	-	-

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

# Statements of cash flows

For the half-year ended 31 December 2022

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>								
Proceeds from sale of financial instruments at fair value through profit or loss	62,408	149,120	307,197	710,952	1,195,711	2,599,506	162,319	70,511
Purchases of financial instruments at fair value through profit or loss	(37,656)	(109,824)	(278,185)	(1,167,053)	(1,197,181)	(2,555,853)	(117,483)	(174,921)
Transaction costs on purchases of financial instruments at fair value through profit or loss	-	-	(1)	(3)	(2)	(4)	(2)	(2)
Interest received	5	-	4	-	38	-	28	-
Other income received	19	3	15	-	30	4	103	61
Responsible Entity's fees paid	(549)	(1,314)	(271)	(752)	(455)	(1,180)	(909)	(1,093)
Operating expenses paid	(2)	(2)	(29)	(14)	(78)	(4)	(6)	(33)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>24,225</b>	<b>37,983</b>	<b>28,730</b>	<b>(456,870)</b>	<b>(1,937)</b>	<b>42,469</b>	<b>44,050</b>	<b>(105,477)</b>
<b>Cash flows from financing activities</b>								
Proceeds from applications by unitholders	39,706	41,623	36,475	619,357	65,582	111,551	63,794	133,504
Payments for redemptions by unitholders	(64,526)	(72,189)	(63,377)	(161,531)	(58,861)	(156,599)	(104,585)	(15,989)
Distributions paid from operating activities	-	(6,650)	(1,764)	(570)	(1,335)	-	(2,205)	(6,951)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(24,820)</b>	<b>(37,216)</b>	<b>(28,666)</b>	<b>457,256</b>	<b>5,386</b>	<b>(45,048)</b>	<b>(42,996)</b>	<b>110,564</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(595)</b>	<b>767</b>	<b>64</b>	<b>386</b>	<b>3,449</b>	<b>(2,579)</b>	<b>1,054</b>	<b>5,087</b>
Cash and cash equivalents at the beginning of the half-year	505	405	22	3,851	27	127,172	2,131	1,443
<b>Cash and cash equivalents at the end of the half-year</b>	<b>(90)</b>	<b>1,172</b>	<b>86</b>	<b>4,237</b>	<b>3,476</b>	<b>124,593</b>	<b>3,185</b>	<b>6,530</b>
Non-cash financing activities	-	14,497	222	622	4,055	-	75	289

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

# Statements of cash flows (continued)

For the half-year ended 31 December 2022

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Notes						
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	762,856	1,625,647	220,738	118,812	389,760	740,066
Purchases of financial instruments at fair value through profit or loss	(802,333)	(1,036,660)	(346,175)	(134,935)	(457,212)	(1,105,704)
Transaction costs on purchases of financial instruments at fair value through profit or loss	(1)	(3)	-	-	(7)	(5)
Interest received	56	-	28	-	11	-
Other income received	45	110	105	16	34	35
Responsible Entity's fees paid	(6,341)	(10,353)	(1,420)	(1,329)	(1,818)	(1,790)
Operating expenses paid	(10)	(37)	(9)	(7)	(303)	(113)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(45,728)</b>	<b>578,704</b>	<b>(126,733)</b>	<b>(17,443)</b>	<b>(69,535)</b>	<b>(367,511)</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	574,354	1,139,948	288,792	102,857	124,330	462,931
Payments for redemptions by unitholders	(509,779)	(1,669,439)	(161,909)	(72,804)	(37,702)	(46,059)
Distributions paid from operating activities	(7,720)	(48,458)	-	(6,200)	(2,385)	(931)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>56,855</b>	<b>(577,949)</b>	<b>126,883</b>	<b>23,853</b>	<b>84,243</b>	<b>415,941</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,127</b>	<b>755</b>	<b>150</b>	<b>6,410</b>	<b>14,708</b>	<b>48,430</b>
Cash and cash equivalents at the beginning of the half-year	15,312	45,037	3,159	893	11,306	44,748
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(4,579)	(381)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>26,439</b>	<b>45,792</b>	<b>3,309</b>	<b>7,303</b>	<b>21,435</b>	<b>92,797</b>
Non-cash financing activities	8,402	54,243	-	3,031	8,002	8,156

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

# Statements of cash flows (continued)

For the half-year ended 31 December 2022

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Notes						
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	1,422,394	4,211,858	134,286	342,800	314,707	784,960
Purchases of financial instruments at fair value through profit or loss	(1,843,418)	(5,014,079)	(137,751)	(136,903)	(406,984)	(534,664)
Transaction costs on purchases of financial instruments at fair value through profit or loss	(6)	(8)	(1)	(2)	(2)	(2)
Interest received	-	-	1	-	-	-
Other income received	265	172	64	749	109	73
Responsible Entity's fees paid	(8,748)	(9,246)	(800)	(1,203)	(2,191)	(2,790)
Operating expenses paid	(1,573)	(509)	(40)	(27)	(273)	(94)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(431,086)</b>	<b>(811,812)</b>	<b>(4,241)</b>	<b>205,414</b>	<b>(94,634)</b>	<b>247,483</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	692,404	1,489,315	63,183	66,174	311,997	372,426
Payments for redemptions by unitholders	(226,053)	(765,755)	(55,023)	(274,051)	(191,383)	(589,841)
Distributions paid from operating activities	(3,210)	(4,604)	(3,974)	(8,601)	(13,540)	(10,615)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>463,141</b>	<b>718,956</b>	<b>4,186</b>	<b>(216,478)</b>	<b>107,074</b>	<b>(228,030)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>32,055</b>	<b>(92,856)</b>	<b>(55)</b>	<b>(11,064)</b>	<b>12,440</b>	<b>19,453</b>
Cash and cash equivalents at the beginning of the half-year	100,201	276,306	5,336	11,779	8,401	21,053
Effects of foreign currency exchange rate changes on cash and cash equivalents	(1,063)	27,612	(242)	5,398	(7,248)	(4,494)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>131,193</b>	<b>211,062</b>	<b>5,039</b>	<b>6,113</b>	<b>13,593</b>	<b>36,012</b>
Non-cash financing activities	49,506	51,778	1,667	4,181	4,314	2,287

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

# Notes to the financial statements

For the half-year ended 31 December 2022

## 1 General information

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

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

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

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds’ Constitution. The Funds (with the exception of Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds’ respective indices, before taking into account fees, expenses and tax. The Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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

The financial statements were authorised for issue by the directors on 9 March 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Basis of preparation of interim report

These interim financial statements for the half-year ended 31 December 2022 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

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

This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made in respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2022 that would be expected to have a material impact on the Funds.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 3 Fair value measurement

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

- Financial assets / liabilities at fair value through profit or loss (FVPL)
- Derivative financial instruments

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

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

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

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

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

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

The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### (ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. The carrying amounts of the Funds' assets and liabilities at the balance sheet date approximate their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 3 Fair value measurement (continued)

### Recognised fair value measurements

The following tables present the Funds' financial assets and liabilities (by asset class) measured at fair value according to the fair value hierarchy at 31 December 2022 and 30 June 2022.

	Vanguard Australian Inflation-Linked Bond Index Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed Interest Securities	-	368,829	-	368,829	-	388,178	-	388,178
<b>Total</b>	-	368,829	-	368,829	-	388,178	-	388,178

	Vanguard Short Term Fixed Interest Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	-	-	-	2	-	-	2
Fixed Interest Securities	-	145,324	-	145,324	-	169,390	-	169,390
Money market securities	-	116,419	-	116,419	-	118,368	-	118,368
<b>Total</b>	-	261,743	-	261,743	2	287,758	-	287,760

	Vanguard Cash Reserve Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	4	-	-	4	40	-	-	40
Fixed Interest Securities	-	410,423	-	410,423	-	357,471	-	357,471
Money market securities	-	201,015	-	201,015	-	244,883	-	244,883
<b>Total</b>	4	611,438	-	611,442	40	602,354	-	602,394

	Vanguard Australian Corporate Fixed Interest Index Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	59	-	-	59	9	-	-	9
Fixed Interest Securities	-	819,062	-	819,062	-	853,896	-	853,896
Money market securities	-	3,883	-	3,883	-	4,255	-	4,255
<b>Total</b>	59	822,945	-	823,004	9	858,151	-	858,160
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	69	-	-	69	-	-	-	-
<b>Total</b>	69	-	-	69	-	-	-	-



# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard Australian Fixed Interest Index Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed Interest Securities	-	7,144,678	-	7,144,678	-	6,960,760	-	6,960,760
Money market securities	-	4,064	-	4,064	-	5,048	-	5,048
<b>Total</b>	-	7,148,742	-	7,148,742	-	6,965,808	-	6,965,808
<b>Financial liabilities at fair value through profit or loss</b>								
Fixed interest securities	-	220,370	-	220,370	-	99,710	-	99,710
<b>Total</b>	-	220,370	-	220,370	-	99,710	-	99,710

	Vanguard Australian Government Bond Index Fund							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed Interest Securities	-	1,399,217	-	1,399,217	-	1,243,267	-	1,243,267
<b>Total</b>	-	1,399,217	-	1,399,217	-	1,243,267	-	1,243,267
<b>Financial liabilities at fair value through profit or loss</b>								
Fixed interest securities	-	62,205	-	62,205	-	20,454	-	20,454
<b>Total</b>	-	62,205	-	62,205	-	20,454	-	20,454

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	401	51,990	-	52,391	232	96,663	-	96,895
Fixed Interest Securities	-	1,323,271	-	1,323,271	-	1,265,431	-	1,265,431
<b>Total</b>	401	1,375,261	-	1,375,662	232	1,362,094	-	1,362,326
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	425	45,062	-	45,487	63	137,219	-	137,282
Fixed interest securities	-	1,544	-	1,544	-	6,431	-	6,431
<b>Total</b>	425	46,606	-	47,031	63	143,650	-	143,713

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	1,177	128,912	-	130,089	103	152,185	-	152,288
Fixed Interest Securities	-	7,410,708	-	7,410,708	-	7,233,669	-	7,233,669
<b>Total</b>	1,177	7,539,620	-	7,540,797	103	7,385,854	-	7,385,957
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	2,978	140,055	-	143,033	95	353,085	-	353,180
Fixed interest securities	-	8,347	-	8,347	-	11,826	-	11,826
<b>Total</b>	2,978	148,402	-	151,380	95	364,911	-	365,006

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard International Credit Securities Index Fund (Hedged)							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	173	8,300	-	8,473	60	10,111	-	10,171
Fixed Interest Securities	-	495,613	-	495,613	-	513,173	-	513,173
<b>Total</b>	<b>173</b>	<b>503,913</b>	<b>-</b>	<b>504,086</b>	<b>60</b>	<b>523,284</b>	<b>-</b>	<b>523,344</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	143	7,738	-	7,881	37	25,528	-	25,565
<b>Total</b>	<b>143</b>	<b>7,738</b>	<b>-</b>	<b>7,881</b>	<b>37</b>	<b>25,528</b>	<b>-</b>	<b>25,565</b>

	Vanguard International Fixed Interest Index Fund (Hedged)							
	31 Dec 2022				30 Jun 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	36,775	-	36,775	-	58,778	-	58,778
Fixed Interest Securities	-	1,845,720	-	1,845,720	-	1,812,033	-	1,812,033
<b>Total</b>	<b>-</b>	<b>1,882,495</b>	<b>-</b>	<b>1,882,495</b>	<b>-</b>	<b>1,870,811</b>	<b>-</b>	<b>1,870,811</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	23	53,679	-	53,702	-	88,016	-	88,016
<b>Total</b>	<b>23</b>	<b>53,679</b>	<b>-</b>	<b>53,702</b>	<b>-</b>	<b>88,016</b>	<b>-</b>	<b>88,016</b>

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no changes made to any of the valuation techniques applied as of 31 December 2022.

### Transfers between levels

There were no transfers between the levels of the fair value hierarchy for the half-year ended 31 December 2022.

### Valuation processes

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

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

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 4 Net assets attributable to unitholders

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

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

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	357,956	723,549	388,265	897,897	285,592	571,214	287,552	580,635
Applications	36,042	33,023	39,713	41,445	36,101	608,441	36,456	618,554
Redemptions	(58,846)	(58,071)	(64,625)	(72,231)	(62,807)	(158,851)	(63,426)	(161,296)
Units issued upon reinvestment of distributions	-	11,716	-	14,497	220	611	222	622
Distributions paid and payable	-	-	-	(8,706)	-	-	(2,475)	(287)
Profit/(loss) for the half-year	-	-	5,381	16,976	-	-	3,753	(1,474)
<b>Closing balance as at 31 December</b>	<b>335,152</b>	<b>710,217</b>	<b>368,734</b>	<b>889,878</b>	<b>259,106</b>	<b>1,021,415</b>	<b>262,082</b>	<b>1,036,754</b>

	Vanguard Cash Reserve Fund			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	600,579	1,598,373	601,503	1,602,302
Applications	66,049	90,843	66,232	91,041
Redemptions	(61,281)	(152,355)	(61,477)	(152,691)
Units issued upon reinvestment of distributions	4,047	-	4,055	-
Distributions paid and payable	-	-	(6,727)	-
Profit/(loss) for the half-year	-	-	7,132	(1,099)
<b>Closing balance as at 31 December</b>	<b>609,394</b>	<b>1,536,861</b>	<b>610,718</b>	<b>1,539,553</b>

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	304,007	221,739	297,805	241,946	11,793	11,047	560,326	584,705
Applications	32,604	25,183	32,278	27,503	660	1,885	31,788	100,054
Redemptions	(73,243)	(14,649)	(72,101)	(15,892)	(685)	-	(32,592)	-
Units issued upon reinvestment of distributions	25	97	24	106	1	3	51	183
Increase/(decrease) in net assets attributable to unitholders	-	-	1,905	(5,398)	-	-	4,611	(14,452)
<b>Closing balance as at 31 December</b>	<b>263,393</b>	<b>232,370</b>	<b>259,911</b>	<b>248,265</b>	<b>11,769</b>	<b>12,935</b>	<b>564,184</b>	<b>670,490</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 4 Net assets attributable to unitholders (continued)

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	5,377,226	6,784,048	5,467,045	7,841,290	31,678	28,592	1,400,890	1,436,595
Applications	415,779	982,282	426,748	1,135,513	2,890	115	129,021	5,842
Redemptions	(418,516)	(1,372,755)	(427,293)	(1,576,261)	(450)	(885)	(19,807)	(44,126)
Units issued upon reinvestment of distributions	7,998	45,868	8,063	53,056	8	24	339	1,187
Increase/(decrease) in net assets attributable to unitholders	-	-	(40,441)	(180,758)	-	-	(11,674)	(31,920)
<b>Closing balance as at 31 December</b>	<b>5,382,487</b>	<b>6,439,443</b>	<b>5,434,122</b>	<b>7,272,840</b>	<b>34,126</b>	<b>27,846</b>	<b>1,498,769</b>	<b>1,367,578</b>

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	636,082	604,349	600,720	646,659	13,750	10,499	623,066	538,977
Applications	68,325	84,801	65,169	90,541	4,810	240	220,985	12,082
Redemptions	(141,424)	(62,074)	(135,282)	(66,678)	(575)	(90)	(26,355)	(4,659)
Units issued upon reinvestment of distributions	-	2,494	-	2,672	-	7	-	359
Increase/(decrease) in net assets attributable to unitholders	-	-	(2,395)	(10,506)	-	-	(7,310)	(8,541)
<b>Closing balance as at 31 December</b>	<b>562,983</b>	<b>629,570</b>	<b>528,212</b>	<b>662,688</b>	<b>17,985</b>	<b>10,656</b>	<b>810,386</b>	<b>538,218</b>

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,332	1,216	52,877	56,486	60,795	194,510	45,775	181,132
Applications	245	585	10,191	28,863	21,001	56,129	17,011	55,636
Redemptions	-	-	-	-	(4,689)	(5,096)	(3,778)	(5,007)
Units issued upon reinvestment of distributions	1	1	25	30	253	1,491	209	1,470
Increase/(decrease) in net assets attributable to unitholders	-	-	(1,650)	(1,519)	-	-	(2,044)	(2,729)
<b>Closing balance as at 31 December</b>	<b>1,578</b>	<b>1,802</b>	<b>61,443</b>	<b>83,860</b>	<b>77,360</b>	<b>247,034</b>	<b>57,173</b>	<b>230,502</b>

	NZD Hedged Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000
	Balance as at 1 July	1,522,116	1,018,401	1,171,736
Applications	127,901	414,957	96,981	376,798
Redemptions	(44,144)	(46,052)	(33,856)	(41,008)
Units issued upon reinvestment of distributions	10,386	7,461	7,768	6,656
Increase/(decrease) in net assets attributable to unitholders	-	-	(18,732)	159
<b>Closing balance as at 31 December</b>	<b>1,616,259</b>	<b>1,394,767</b>	<b>1,223,897</b>	<b>1,256,245</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 4 Net assets attributable to unitholders (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	7,936,955	6,935,202	6,727,026	6,681,021	11,099	7,929	471,653	382,745
Applications	600,419	1,453,328	502,598	1,407,456	4,585	1,840	190,074	89,418
Redemptions	(158,316)	(666,397)	(129,985)	(644,551)	(65)	(225)	(2,709)	(10,853)
Units issued upon reinvestment of distributions	57,961	53,323	48,281	51,364	30	9	1,225	414
Increase/(decrease) in net assets attributable to unitholders	-	-	(330,519)	(62,685)	-	-	(25,920)	(4,033)
<b>Closing balance as at 31 December</b>	<b>8,437,019</b>	<b>7,775,456</b>	<b>6,817,401</b>	<b>7,432,605</b>	<b>15,649</b>	<b>9,553</b>	<b>634,323</b>	<b>457,691</b>

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	347,859	599,699	323,795	654,203	4,890	4,485	188,264	202,137
Applications	58,010	41,762	53,131	45,836	150	415	5,791	18,819
Redemptions	(39,530)	(243,007)	(36,365)	(266,867)	(485)	(155)	(18,951)	(7,062)
Units issued upon reinvestment of distributions	1,732	3,713	1,589	4,054	2	3	78	127
Increase/(decrease) in net assets attributable to unitholders	-	-	(12,658)	(3,761)	-	-	(6,439)	(2,482)
<b>Closing balance as at 31 December</b>	<b>368,071</b>	<b>402,167</b>	<b>329,492</b>	<b>433,465</b>	<b>4,557</b>	<b>4,748</b>	<b>168,743</b>	<b>211,539</b>

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,238,035	1,546,729	1,191,258	1,660,160	15,588	13,680	617,924	605,194
Applications	197,751	279,111	187,461	301,699	3,250	1,530	125,504	68,030
Redemptions	(187,734)	(531,208)	(177,288)	(571,186)	(270)	(400)	(10,334)	(17,913)
Units issued upon reinvestment of distributions	4,205	1,975	4,018	2,120	7	4	296	167
Increase/(decrease) in net assets attributable to unitholders	-	-	(58,667)	(8,429)	-	-	(32,271)	(3,529)
<b>Closing balance as at 31 December</b>	<b>1,252,257</b>	<b>1,296,607</b>	<b>1,146,782</b>	<b>1,384,364</b>	<b>18,575</b>	<b>14,814</b>	<b>701,119</b>	<b>651,949</b>

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard Australian Inflation-Linked Bond Index Fund, Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund have no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

### Capital risk management

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

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

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

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

## 5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 July	-	-	-	-	251	0.0881	24	0.0042
- 31 August	-	-	-	-	422	0.1491	26	0.0034
- 30 September	-	-	6,018	0.8271	486	0.1729	7	0.0009
- 31 October	-	-	-	-	454	0.1654	-	-
- 30 November	-	-	-	-	373	0.1403	-	-
Distributions payable								
- 31 December	-	-	2,688	0.3785	489	0.1886	230	0.0225
	-	-	8,706	1.2056	2,475	0.9044	287	0.0310

	Vanguard Cash Reserve Fund			
	31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 31 July	539	0.0892	-	-
- 31 August	995	0.1643	-	-
- 30 September	1,090	0.1842	-	-
- 31 October	1,233	0.2068	-	-
- 30 November	1,400	0.2295	-	-
Distributions payable				
- 31 December	1,470	0.2413	-	-
	6,727	1.1153	-	-

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	535	0.1869	989	0.4307	1,150	9.8837	2,606	21.1889
Distributions payable								
- 31 December	-	-	907	0.3901	-	-	2,496	19.2279
	535	0.1869	1,896	0.8208	1,150	9.8837	5,102	40.4168

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	12,676	0.2370	26,375	0.3747	3,446	10.4733	4,299	15.4579
Distributions payable								
- 31 December	7,502	0.1394	58,956	0.9155	2,282	6.4447	11,503	40.9504
	20,178	0.3764	85,331	1.2902	5,728	16.9180	15,802	56.4083

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

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

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	1,470	0.2399	-	-	1,204	11.9134
Distributions payable								
- 31 December	-	-	1,620	0.2572	-	-	1,396	12.7601
	-	-	3,090	0.4971	-	-	2,600	24.6735

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	140	10.4955	115	7.1078	132	0.1930	387	0.1727
Distributions payable								
- 31 December	299	18.6806	293	16.0291	260	0.3359	774	0.3134
	439	29.1761	408	23.1369	392	0.5289	1,161	0.4861

	NZD Hedged Class			
	31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	2,828	0.1779	1,877	0.1580
Distributions payable				
- 31 December	5,391	0.3335	3,522	0.2526
	8,219	0.5114	5,399	0.4106

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	18,580	0.2260	15,846	0.2028	1,317	10.8541	937	10.0682
Distributions payable								
- 31 December	34,257	0.4060	28,902	0.3717	3,065	19.5184	1,794	18.6463
	52,837	0.6320	44,748	0.5745	4,382	30.3725	2,731	28.7145

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,229	0.3415	1,894	0.4312	649	14.2369	729	15.7950
Distributions payable								
- 31 December	2,477	0.6730	2,767	0.6881	1,260	27.5249	1,359	28.4847
	3,706	1.0145	4,661	1.1193	1,909	41.7618	2,088	44.2797

# Notes to the financial statements (continued)

For the half-year ended 31 December 2022

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

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2022		31 Dec 2021		31 Dec 2022		31 Dec 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,996	0.1562	2,225	0.1429	1,028	6.3233	844	6.0485
Distributions payable								
- 31 December	4,018	0.3209	4,309	0.3323	2,380	12.7238	2,134	14.2777
	6,014	0.4771	6,534	0.4752	3,408	19.0471	2,978	20.3262

## 6 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 fixed interest securities, money market securities, derivatives and cash and cash equivalents, and performance is reviewed against the performance of the Funds' target.

## 7 Events occurring after the reporting period

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 31 December 2022 or on the results and cash flows of the Funds for the half-year ended on that date.

## 8 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2022 (30 June 2022:Nil).



# Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 8 to 28 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Funds' financial position as at 31 December 2022 and of their performance, as represented by the results of their operations for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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



Daniel Shrimski  
*Managing Director, Vanguard Investments Australia Ltd*  
Melbourne  
9 March 2023



## Independent auditor's review report

To the unitholders of:

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

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

\* denotes listed Funds

## Report on the half-year financial report

### **Conclusion**

We have reviewed the half-year financial report of the Vanguard Wholesale Fixed Income Funds and ETFs (the Funds) which comprises the balance sheets as at 31 December 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Funds' financial positions as at 31 December 2022 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

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

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

PricewaterhouseCoopers, ABN 52 780 433 757  
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T: 61 3 8603 1000, F: 61 3 8603 1999

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***Responsibilities of the directors for the half-year financial report***

The directors are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial positions as at 31 December 2022 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

PricewaterhouseCoopers

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

Adrian Gut  
Partner

Melbourne  
9 March 2023

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