

# Product Disclosure Statement update and continuous disclosure notice

for Vanguard Australian Government Bond Index ETF (VGB)

27 March 2024

Vanguard Investments Australia Ltd has released a Product Disclosure Statement (PDS) update and continuous disclosure notice for the Vanguard ETF:

ETF	ASX CODE	DATE	ANNOUNCEMENT
Vanguard Australian Government Bond Index ETF	VGB	27 March 2024	Product Disclosure Statement update and continuous disclosure notice

This notification has been issued by Vanguard Investments Australia Ltd (**Vanguard**) for the purposes of providing updated information with respect to the Product Disclosure Statement for the Vanguard Australian Government Bond Index ETF (ASX code: VGB) dated 6 April 2023 (**PDS**) pursuant to *ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055* on the basis that the updated information is not materially adverse. This notice also constitutes a continuous disclosure notice for the purposes of section 675 of the *Corporations Act 2001* (Cth) for the Vanguard Australian Government Bond Index Fund (**Fund**).

Where relevant, the information should be read in conjunction with the PDS. Potential investors should read the PDS and this update in its entirety. Capitalised terms have the same meaning as in the PDS unless otherwise stated.

## Updates to the PDS

On Page 16 of the PDS, the fees and costs summary table is replaced as follows:

Vanguard Australian Government Bond Index ETF		
Type of fee or cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>		
Management fees and costs	0.16% p.a. of the net asset value (NAV) of the Fund comprised of:	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month. 2. Indirect costs are paid out of the Fund's assets or an interposed vehicle's assets as and when incurred.
The fees and costs for managing your investment <sup>1</sup>	1. A management fee of 0.16% p.a. of the NAV of the Fund; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the Fund; and	

	3. Estimated expense recoveries of 0.00% p.a. of the NAV of the Fund.	3. Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price.
Performance fees  Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs  The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the Fund <sup>3</sup>	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>2</sup></b>		
Establishment fee  The fee to open your investment	Nil	The Fund does not charge an establishment fee.
Contribution fee  The fee on each amount contributed to your investment	Cash Applications:  If you are not an Authorised Participant - Nil  If you are an Authorised Participant - \$200 plus 0.06%  Standard or Custom Basket Applications:  If you are not an Authorised Participant - Nil  If you are an Authorised Participant - \$200	This fee is payable only by Authorised Participants. The contribution fee will be payable by Authorised Participants at the time of applying for units in the Fund for Cash, Standard or Custom basket Applications.
Buy-sell spread  An amount deducted from your investment representing costs	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal	Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal. This amount is reflected in the

incurred in transactions by the scheme		buy price and sell price respectively for units in the Fund and is not separately charged to you.
Withdrawal fee <sup>5</sup> The fee on each amount you take out of your investment	Cash Redemptions: If you are not an Authorised Participant - Nil If you are an Authorised Participant - \$200 plus 0.06%  Standard or Custom Basket Redemptions: If you are not an Authorised Participant - Nil If you are an Authorised Participant - \$200	This fee is payable only by Authorised Participants. The withdrawal fee will be deducted from the withdrawal proceeds of the Authorised Participant at the time of withdrawal for the Fund for Cash, Standard or Custom basket Redemptions.
Exit fee The fee to close your investment	Nil	The Fund does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The Fund does not charge switching fees.

1. See "Additional explanation of fees and costs" for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST (and any applicable stamp duty) and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to Vanguard or to the extent to which any tax deduction may be passed on to investors.
2. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount.
3. The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to the "Additional explanation of fees and costs" section for further details.
4. In estimating the buy/sell spread, we have assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Vanguard to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. We may vary the buy/sell spreads from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The buy/sell spread does not apply to investors buying or selling ETF units on the ASX. The updated information will be disclosed on our website. Please refer to the "Additional explanation of fees and costs" section for further details.
5. Other than in exceptional circumstances, investors other than Authorised Participants cannot redeem ETF units of a Fund with Vanguard, but may seek to sell ETF units on the ASX through their broker or adviser.

On Page 18 of the PDS, the example of annual fees and costs table is replaced as follows:

<b>Example - Vanguard Australian Government Bond Index ETF*</b>		<b>Balance of \$550,000 with a contribution of \$5,000<sup>1</sup> during the year</b>
Contribution fees	\$0 if you are not an Authorised Participant; or \$200 plus 0.06% if you are an Authorised Participant for standard or custom basket applications. or \$200 if you are an Authorised Participant for standard or custom basket applications.	For every additional \$5,000 you put in, you will be charged \$0 if you are not an Authorised Participant; or \$203 if you are an Authorised Participant for cash applications; or \$200 if you are an Authorised Participant for standard or custom basket applications
<b>PLUS</b> Management fees and costs <sup>3</sup>	0.16% p.a. of the NAV of the Fund	And, for every \$550,000 you have in the Fund, you will be charged or have deducted from your investment \$880 each year.
<b>PLUS</b> Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year
<b>PLUS</b> Transaction costs	0.00% p.a.	And, you will be charged or have deducted from your investment \$0 in transaction costs
<b>EQUALS</b> Cost of Fund		If you had an investment of \$550,000 at the beginning of the year and put in \$5,000 during that year you will be charged fees of \$880 (if you are not an Authorised Participant) or \$1,083 (if you are an Authorised Participant for cash applications) or \$1,080 (if you are an Authorised Participant for standard or custom basket applications) <sup>2,3</sup> .

\* An Authorised Participant who creates or redeems units directly will be charged a contribution or withdrawal fee (as applicable) as follows for a Cash, Standard or Custom Basket Application or Redemption (in Australian dollars) based on the example of a contribution of \$5000, as follows: Vanguard Australian Government Bond Index ETF: \$203 for cash applications and \$200 for standard or custom basket applications; See the "Additional Explanation of Fees and Costs" section for more information.

1. The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and is based on an assumption that the \$5,000 contribution occurs on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$550,000 only). This example also assumes that the value of your investment remains the same during the year. Please note that this is just an example. In practice, actual investment balances will vary daily and actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.

2. Additional fees may apply. A minimum creation unit size of 5000 units applies for cash transactions by Authorised Participants in each Fund and a buy/sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. These do not apply to investors buying or selling ETF units in a Fund on the ASX. Please refer to the 'Additional explanation of fees and costs' in the section below for further details.
3. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Where a fund is newly established, the costs reflect our reasonable estimates as at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12 month period). Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price.

## Further Information

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

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