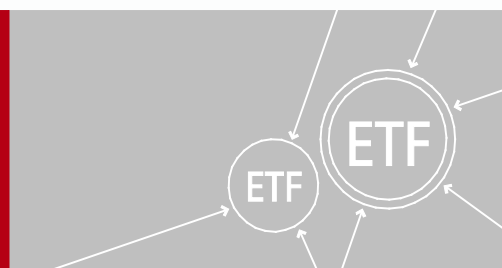




**Index Changes**  
for the Vanguard® Exchange Traded Funds

29 September 2014



Bloomberg has announced the acquisition of the UBS Australia Bond Index family. As a result of this acquisition, the indices previously part of the UBS Australia Bond Index family will be renamed under the brand “Bloomberg AusBond Indexes” to reflect the change in ownership, effective today.

The benchmarks for the Vanguard ETFs listed in the table below will be renamed, as follows:

ETF	ASX Code	Old index name	New index name
Vanguard Australian Government Bond Index ETF	VGB	UBS Government Bond Index	<b>Bloomberg AusBond Govt 0+ Yr Index</b>
Vanguard Australian Fixed Interest Index ETF	VAF	UBS Composite Bond Index™	<b>Bloomberg AusBond Composite 0+ Yr Index</b>

As a result of the acquisition, Vanguard has identified the following changes to the methodology which update the “Index Information” section of the Product Disclosure Statement. Each ETF will continue to meet its investment strategy and investment objective. The index membership will continue to be based on inclusion rules which Bloomberg anticipates will not be altered.

The specific changes to the methodology of the indices are outlined below:

	Old methodology	New methodology
<b>Ratings downgrades</b>	If a rating downgrade of a debt security occurs in the last 2 weeks of the month, the security is not removed from the index until the end of the following month	If a rating downgrade of a debt security occurs in the last 2 weeks of the month, the security is removed from the index at the end of the current month
<b>Pricing source</b>	UBS single source price	Bloomberg Valuation (BVAL)

Accordingly, the last paragraph on each of pages 14 and 15 of the Product Disclosure Statement dated 15 October 2012 is replaced with the following:

“The Bloomberg indices will use independent pricing from Bloomberg’s evaluated pricing service, BVAL. BVAL draws on contributed market data together with Bloomberg’s data and analytics to produce an objective price for fixed income securities.”

For further information on any methodology changes, please visit the Bloomberg website at [www.bloomberg.com](http://www.bloomberg.com) or [www.bloombergindexes.com/fixed-income/ausbond/](http://www.bloombergindexes.com/fixed-income/ausbond/).

## Further Information

If you have any queries, please contact Computershare on 1300 757 905.

Prior to making an investment decision please consider your circumstances, read our Product Disclosure Statement (PDS) and consult your investment advisor or broker. You can access our PDS at [vanguard.com.au](http://vanguard.com.au). Past performance is not an indication of future performance.

Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with Vanguard and do not approve, endorse, review, or recommend the Vanguard Australian Government Bond Index ETF and Vanguard Australian Fixed Interest Index ETF. BLOOMBERG and the Bloomberg AusBond Govt 0+ Yr Index and Bloomberg AusBond Composite 0+ Yr Index ("Indices") are trademarks or service marks of Bloomberg and have been licensed to Vanguard. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Indices.

© 2014 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) is the product issuer, and is a wholly owned subsidiary of The Vanguard Group, Inc. based in the US. All rights reserved.

Vanguard Investments Australia Ltd, Level 34, Freshwater Place, 2 Southbank Boulevard, Southbank VIC 3006 [www.vanguard.com.au](http://www.vanguard.com.au)