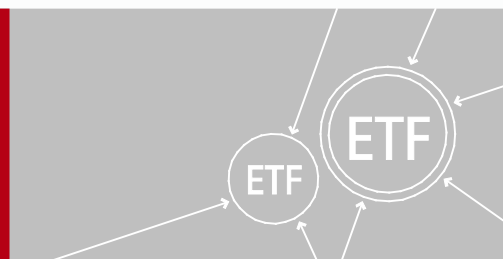


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Annual Report
for the Vanguard® Exchange Traded Funds

7 September 2015



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard® Australian Shares Index ETF	VAS	Annual Report
Vanguard® Australian Property Securities Index ETF	VAP	Annual Report
Vanguard® Australian Fixed Interest Index ETF	VAF	Annual Report
Vanguard® Australian Government Bond Index ETF	VGB	Annual Report
Vanguard® Australian Shares High Yield ETF	VHY	Annual Report

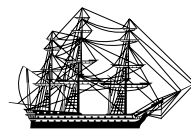
Vanguard has prepared an Annual Report for the Vanguard® Wholesale Funds, for the financial year ending 30 June 2015. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

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/etf

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Vanguard[®]

Annual Report | 30 June 2015

Vanguard[®] Wholesale Funds

Domestic Funds

Domestic ETFs (ASX Codes: VAS, VAP, VHY, VGB, VAF)

Vanguard funds covered in this annual report

Vanguard® Cash Reserve Fund	ARSN 127 015 301	ABN 62 738 136 510
Vanguard® Cash Plus Fund	ARSN 090 940 060	ABN 19 638 293 529
Vanguard® Australian Government Bond Index Fund	ARSN 134 177 807	ABN 23 499 844 319
Vanguard® Australian Fixed Interest Index Fund	ARSN 090 939 941	ABN 52 931 145 473
Vanguard® Australian Corporate Fixed Interest Index Fund	ARSN 147 938 001	ABN 51 978 865 366
Vanguard® Australian Inflation-Linked Bond Index Fund	ARSN 147 936 249	ABN 69 769 407 563
Vanguard® Australian Property Securities Index Fund	ARSN 090 939 549	ABN 27 186 332 271
Vanguard® Australian Shares Index Fund	ARSN 090 939 718	ABN 65 759 271 740
Vanguard® Australian Shares High Yield Fund	ARSN 091 751 807	ABN 61 324 061 551

Responsible Entity

Vanguard Investments Australia Ltd
ABN 72 072 881 086
AFSL 227263

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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 the best outcome is achieved.

With more than \$4 trillion in assets under management as of 30 June 2015, including over \$600 billion in exchange traded funds, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been helping investors meet their long-term financial goals with low-cost investment solutions for over 19 years.

Our unique structure – putting investors' interests first

What sets Vanguard apart – and lets Vanguard 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 directors of Vanguard Investments Australia Ltd, the Responsible Entity of the Vanguard Wholesale Funds, present their report together with the financial report of the following Vanguard Wholesale Funds ('the Funds') for the year ended 30 June 2015:

- Vanguard Cash Reserve Fund
- Vanguard Cash Plus Fund
- Vanguard Australian Government Bond Index Fund
- Vanguard Australian Fixed Interest Index Fund
- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Australian Property Securities Index Fund
- Vanguard Australian Shares Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard Australian Corporate Fixed Interest Index Fund

Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in the current Product Disclosure Statement (PDS) and in accordance with the Constitutions of the Funds. The Funds seek to track the returns of the Funds respective indexes, before taking into account Fund fees and expenses.

Vanguard Australian Corporate Fixed Interest Index Fund commenced trading on 10 October 2014.

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 Vanguard Investments Australia Ltd during the year or since the end of the year and up to the date of this report:

- J M Norris
- G W Reed
- J M James (Resigned 30 June 2015)
- C R Comegys
- C Lui
- C Kelton (Appointed 1 July 2015)

Review and results of operations

During the year, the investment policy of the Funds continued to be that detailed in the current PDS and in accordance with the provisions of the Constitutions of the Funds. There have been no changes to the operations of the Funds since last year.

Directors' Report (continued)

Review and results of operations (continued)

Results

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

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
For the period ended 30 June	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	42,709	47,623	19,788	19,220	6,433	2,809	203,228	214,582	1,727	n/a
Distributions										
Distribution paid and payable	42,619	47,780	19,371	19,942	4,713	2,887	165,079	192,760	1,366	n/a
Distribution (cents per unit)	2.4541	2.5218	2.5775	2.6854	–	*(1)	–	*(2)	2.0519	n/a

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
For the period ended 30 June	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	6,000	9,193	655,565	320,724	458,631	1,275,320	37,568	159,831
Distributions								
Distribution paid and payable	2,764	3,176	167,421	188,099	391,273	354,148	122,128	63,242
Distribution (cents per unit)	2.7474	1.4808	–	*(3)	–	*(4)	–	*(5)

* (1) The distribution for Vanguard Australian Government Bond Index Fund was 2.9757 (2014: 5.4275) cents per unit for the Ordinary Class and 134.5255 (2014: 255.7277) cents per unit for the ETF Class.

* (2) The distribution for Vanguard Australian Fixed Interest Index Fund was 4.5274 (2014: 5.6797) cents per unit for the Ordinary Class and 192.7747 (2014: 250.7444) cents per unit for the ETF Class.

* (3) The distribution for Vanguard Australian Property Securities Index Fund was 3.6574 (2014: 4.3915) cents per unit for the Ordinary Class and 302.4249 (2014: 362.5361) cents per unit for the ETF Class.

* (4) The distribution for Vanguard Australian Shares Index Fund was 8.4590 (2014: 8.5503) cents per unit for the Ordinary Class and 296.3124 (2014: 299.0928) cents per unit for the ETF Class.

* (5) The distribution for Vanguard Australian Shares High Yield Fund was 15.7667 (2014: 9.6244) cents per unit for the Ordinary Class and 440.0028 (2014: 376.2688) cents per unit for the ETF Class.

* Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Directors' Report (continued)

Review and results of operations (continued)

Performance

The table below details 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 2015 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.

	2015	2014	2013	2012	2011
	%	%	%	%	%
Vanguard Cash Reserve Fund					
Capital growth	–	–	(0.01)	–	(0.51)
Distribution of income	2.47	2.54	3.08	4.50	5.31
Total return	2.47	2.54	3.07	4.50	4.80
Benchmark return					
<i>Bloomberg AusBond Bank Bill Index</i>	2.60	2.70	3.27	4.69	4.98
Vanguard Cash Plus Fund					
Capital growth	0.08	–	(0.29)	0.56	(0.53)
Distribution of income	2.56	2.67	3.36	4.49	5.58
Total return	2.64	2.67	3.07	5.05	3.84
Benchmark return					
<i>Bloomberg AusBond Bank Bill Index</i>	2.60	2.70	3.27	5.52	4.91
Vanguard Australian Government Bond Index Fund					
Capital growth	2.58	0.03	(7.11)	7.42	0.58
Distribution of income	3.02	5.60	8.58	5.82	4.20
Total return	5.60	5.63	1.47	13.24	4.78
Benchmark return					
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	5.77	5.92	1.71	13.43	5.02
Vanguard Australian Fixed Interest Index Fund					
Capital growth	1.34	0.61	(3.19)	6.09	(0.35)
Distribution of income	4.09	5.28	5.75	6.04	5.65
Total return	5.43	5.89	2.56	12.13	5.30
Benchmark return					
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	5.63	6.11	2.77	12.40	5.55

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

Directors' Report (continued)

Review and results of operations (continued)

Performance (continued)

	2015	2014	2013	2012	2011
	%	%	%	%	%
Vanguard Australian Inflation-Linked Bond Index Fund					
Capital growth	3.32	5.82	(3.95)	4.01	n/a
Distribution of income	2.58	1.54	1.16	0.22	n/a
Total return	5.90	7.36	(2.79)	4.23	n/a
Benchmark return					
<i>Bloomberg AusBond Inflation Treasury 1+ Yr Index</i>	6.22	7.38	(2.52)	4.29	n/a
Vanguard Australian Property Securities Index Fund					
Capital growth	15.09	4.41	18.50	3.90	0.10
Distribution of income	4.99	6.52	5.27	6.77	5.38
Total return	20.08	10.93	23.77	10.67	5.48
Benchmark return					
<i>S&P/ASX 300 A-REIT Index</i>	20.20	11.08	23.98	10.98	5.86
Vanguard Australian Shares Index Fund					
Capital growth	1.10	12.07	16.36	(11.40)	7.36
Distribution of income	4.34	5.00	5.32	4.13	4.23
Total return	5.44	17.07	21.68	(7.27)	11.59
Benchmark return					
<i>S&P/ASX 300 Index</i>	5.61	17.25	21.90	(7.01)	11.90
Vanguard Australian Shares High Yield Fund					
Capital growth	(6.03)	11.40	22.98	(4.17)	8.57
Distribution of income	9.20	6.41	6.21	6.06	5.04
Total return	3.17	17.81	29.19	1.89	13.61
Benchmark return					
<i>FTSE ASFA Australia High Dividend Yield Index</i>	3.50	17.98	29.45	2.33	13.66
Vanguard Australian Corporate Fixed Interest Index Fund*					
Capital growth	(0.40)	–	–	–	–
Distribution of income	1.80	–	–	–	–
Total return	1.40	–	–	–	–
Benchmark return					
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	1.50	–	–	–	–

*The Fund's inception date was 10 October 2014.

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

Directors' Report (continued)

Review and results of operations (continued)

Unit redemption prices

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

	At 30 June		Period high Period to 30 June		Period low Period to 30 June	
	2015	2014	2015	2014	2015	2014
Vanguard Cash Reserve Fund	1.0062	1.0066	1.0069	1.0070	1.0045	1.0043
Vanguard Cash Plus Fund	1.0216	1.0215	1.0235	1.0222	1.0188	1.0187
Vanguard Australian Government Bond Index Fund	1.0291	1.0121	1.0605	1.0121	0.9937	0.9774
Vanguard Australian Government Bond Index Fund (ETF class)	48.5661	47.6785	50.0563	47.6785	46.7957	46.0293
Vanguard Australian Fixed Interest Index Fund	1.1415	1.1294	1.1749	1.1294	1.1140	1.0875
Vanguard Australian Fixed Interest Index Fund (ETF class)	49.6049	49.0383	51.0602	49.0383	48.3441	47.2401
Vanguard Australian Inflation-Linked Bond Index Fund	1.1011	1.0621	1.1620	1.0623	1.0437	0.9729
Vanguard Australian Property Securities Index Fund	0.8809	0.7683	0.9422	0.7787	0.7499	0.6736
Vanguard Australian Property Securities Index Fund (ETF class)	72.5592	63.2950	77.6084	64.1501	61.7802	55.5020
Vanguard Australian Shares Index Fund	2.0135	1.9936	2.2028	2.0353	1.8858	1.7294
Vanguard Australian Shares Index Fund (ETF class)	69.8048	69.1159	76.3681	70.5611	65.3704	59.9817
Vanguard Australian Shares High Yield Fund	1.7044	1.7476	1.8728	1.7870	1.6229	1.5083
Vanguard Australian Shares High Yield Fund (ETF class)	64.9091	66.5893	71.2758	68.0469	61.7473	57.4519
Vanguard Australian Corporate Fixed Interest Index Fund*	1.0234	n/a	1.0386	n/a	1.0000	n/a

* Vanguard Australian Corporate Fixed Interest Index Fund inception date was 10 October 2014.

Significant changes in state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Funds that occurred during the financial year under review.

Matters subsequent to the end of the financial year

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 June 2015 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 Constitutions of the Funds.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which each Fund invests. 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.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Directors' Report (continued)

Review and results of operations (continued)

Indemnity and insurance of officers

No insurance premiums are 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 Constitutions of the Funds and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnity of auditors

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 Funds' property during the year are disclosed in note 15 to the financial statements.

No fees were paid out of 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 to the financial statements.

Interests in the Fund

The movement in units on issue in the Funds during the year is set out in note 10 to the financial statements.

The value of each Fund's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Funds are registered schemes of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, 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 11.

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



C Lui
Director
Melbourne
28 August 2015



Auditor's Independence Declaration

As lead auditor for the audit of the Vanguard Wholesale Funds (Domestic Funds) for the year ended 30 June 2015, 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.

This declaration is in respect of the following Vanguard Wholesale Funds (Domestic Funds) during the year:

- Vanguard Cash Reserve Fund
- Vanguard Cash Plus Fund
- Vanguard Australian Government Bond Index Fund
- Vanguard Australian Fixed Interest Index Fund
- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Australian Property Securities Index Fund
- Vanguard Australian Shares Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard Australian Corporate Fixed Interest Index Fund

A handwritten signature in black ink, appearing to read 'J F Power'.

J F Power
Partner
PricewaterhouseCoopers

Melbourne
28 August 2015

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Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Statement of comprehensive income

For the year ended 30 June 2015

	Notes	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015* \$'000	2014 \$'000
Investment income											
Interest income from financial instruments not held at fair value through profit or loss		–	252	–	–	–	–	–	–	–	–
Dividend income		–	–	–	–	–	–	–	–	–	–
Distribution income		–	–	–	–	–	–	–	–	–	–
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	45,330	50,244	22,009	21,367	6,826	2,956	212,850	223,520	1,846	–
Other operating income		10	–	–	23	38	–	175	45	–	–
Total net investment income/(loss)		45,340	50,496	22,009	21,390	6,864	2,956	213,025	223,565	1,846	–
Expenses											
Responsible Entity's fees	8	2,631	2,873	2,221	2,170	431	147	9,796	8,982	119	–
Transaction costs		–	–	–	–	–	–	–	–	–	–
Other operating expenses		–	–	–	–	–	–	1	1	–	–
Total operating expenses		2,631	2,873	2,221	2,170	431	147	9,797	8,983	119	–
Operating profit/(loss)		42,709	47,623	19,788	19,220	6,433	2,809	203,228	214,582	1,727	–
Financing costs attributable to unitholders											
Distributions to unitholders	9	(42,619)	(47,780)	(19,371)	(19,942)	(4,713)	(2,887)	(165,079)	(192,760)	(1,366)	–
(Increase)/decrease in net assets attributable to unitholders	10(b)	(90)	157	(417)	722	(1,720)	78	(38,149)	(21,822)	(361)	–
Profit/(loss) for the period		–	–	–	–	–	–	–	–	–	–
Other comprehensive income		–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period		–	–	–	–	–	–	–	–	–	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

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

Statement of comprehensive income (continued)

For the year ended 30 June 2015

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Investment income									
Interest income from financial instruments not held at fair value through profit or loss		–	–	–	32	1,543	1,160	100	54
Dividend income		–	–	–	–	370,433	314,205	67,600	50,810
Distribution income		–	–	165,608	205,958	46,518	47,094	8,179	9,047
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	6,321	9,882	499,856	121,959	56,937	926,825	(33,031)	103,785
Other operating income		–	–	16	394	186	643	52	131
Total net investment income/(loss)		6,321	9,882	665,480	328,343	475,617	1,289,927	42,900	163,827
Expenses									
Responsible Entity's fees	8	318	689	9,212	7,457	16,706	14,334	5,025	3,822
Transaction costs		–	–	91	161	241	270	306	174
Other operating expenses		3	–	612	1	39	3	1	–
Total operating expenses		321	689	9,915	7,619	16,986	14,607	5,332	3,996
Operating profit/(loss)		6,000	9,193	655,565	320,724	458,631	1,275,320	37,568	159,831
Financing costs attributable to unitholders									
Distributions to unitholders	9	(2,764)	(3,176)	(167,421)	(188,099)	(391,273)	(354,148)	(122,128)	(63,242)
(Increase)/decrease in net assets attributable to unitholders	10(b)	(3,236)	(6,017)	(488,144)	(132,625)	(67,358)	(921,172)	84,560	(96,589)
Profit/(loss) for the period		–	–	–	–	–	–	–	–
Other comprehensive income		–	–	–	–	–	–	–	–
Total comprehensive income for the period		–	–	–	–	–	–	–	–

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

Balance sheet

As at 30 June 2015

	Notes	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Cash & cash equivalents	11	785,439	865	11,716	19,939	1,591	95	20,686	7,540	451	–
Futures margin deposit		74	71	17	83	41	–	54	84	13	–
Receivables		49	44	40	39	13	3	444	537	48	–
Due from brokers - receivable for securities sold		–	–	–	4,023	799	558	13,888	32,920	–	–
Financial assets held at fair value through profit or loss	12	992,011	1,762,180	806,870	713,569	241,580	55,548	4,461,163	3,804,829	54,785	–
Other assets		–	57	374	258	20	1,907	3,051	3,824	163	–
Total assets		1,777,573	1,763,217	819,017	737,911	244,044	58,111	4,499,286	3,849,734	55,460	–
Liabilities											
Payables	15(b)	219	217	194	174	52	12	871	747	13	–
Distribution payable	9	3,015	3,719	1,676	1,929	1,679	932	42,419	46,164	576	–
Due to brokers - payables for securities purchased		–	–	–	5,106	116	654	17,786	28,942	50	–
Financial liabilities held at fair value through profit or loss	13	1	4	10	22	–	–	–	–	2	–
Other liabilities		5	892	1,478	51	604	955	1,633	2,564	–	–
Total liabilities (excluding net assets attributable to unitholders)		3,240	4,832	3,358	7,282	2,451	2,553	62,709	78,417	641	–
Net assets attributable to unitholders (liability)	10(b)	1,774,333	1,758,385	815,659	730,629	241,593	55,558	4,436,577	3,771,317	54,819	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

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

Balance sheet

As at 30 June 2015

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash & cash equivalents	11	2,284	77	5,158	32,287	89,004	59,703	11,416	3,871
Futures margin deposit			–	3,956	4,242	12,370	4,681	2,313	590
Receivables		5	5	66,784	89,128	80,495	71,844	14,717	13,713
Due from brokers - receivable for securities sold		247	755	–	–	–	–	70,660	1,487
Financial assets held at fair value through profit or loss	12	110,535	101,667	4,063,538	3,235,706	9,734,461	8,266,272	1,455,898	1,252,810
Other assets		–	–	1,302	1,565	23,899	12,752	7,564	3,012
Total assets		113,071	102,504	4,140,738	3,362,928	9,940,229	8,415,252	1,562,568	1,275,483
Liabilities									
Payables	15(b)	26	24	859	695	1,454	1,223	435	367
Distribution payable	9	882	574	72,422	70,954	77,141	73,285	67,321	23,939
Due to brokers - payables for securities purchased		2,262	782	3,571	11,713	11,715	4,143	45,860	2,662
Financial liabilities held at fair value through profit or loss	13	–	–	357	342	2,748	639	–	–
Other liabilities		–	–	2,967	1,329	991	1,572	638	373
Total liabilities (excluding net assets attributable to unitholders)		3,170	1,380	80,176	85,033	94,049	80,862	114,254	27,341
Net assets attributable to unitholders (liability)	10(b)	109,901	101,124	4,060,562	3,277,895	9,846,180	8,334,390	1,448,314	1,248,142

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

Statement of changes in equity

For the year ended 30 June 2015

	Notes	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015* \$'000	2014 \$'000
Total equity at the beginning of the financial year											
Profit/(loss) for the year		-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners		-	-	-	-	-	-	-	-	-	-
Total equity at the end of the financial year		-	-	-	-	-	-	-	-	-	-

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total equity at the beginning of the financial year									
Profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners		-	-	-	-	-	-	-	-
Total equity at the end of the financial year		-	-	-	-	-	-	-	-

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year. The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2015

		Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015* \$'000	2014 \$'000
Cash flows from operating activities											
Proceeds from sale of financial instruments held at fair value through profit or loss		7,325,022	8,524,246	1,076,052	2,098,397	37,865	26,136	901,199	1,683,599	22,255	–
Purchases of financial instruments held at fair value through profit or loss		(6,509,529)	(8,191,024)	(1,148,372)	(1,917,205)	(217,890)	(17,637)	(1,336,776)	(1,400,189)	(75,156)	–
Transaction costs on purchases of financial instruments held at fair value through profit or loss		–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–
Interest received		–	258	–	–	–	–	–	–	–	–
Distributions received		–	–	–	–	–	–	–	–	–	–
Other income received		10	6	2	41	37	–	291	51	–	–
Responsible Entity's fees paid		(2,629)	(2,909)	(2,201)	(2,205)	(391)	(149)	(9,672)	(9,004)	(105)	–
Payment of other expenses		(6)	–	(4)	–	(10)	–	(26)	(21)	(48)	–
Net cash inflow/(outflow) from operating activities	16(a)	812,868	330,577	(74,523)	179,028	(180,389)	8,350	(444,984)	274,436	(53,054)	–
Cash flows from financing activities											
Proceeds from applications by unitholders		116,438	75,767	152,497	683,781	211,919	10,790	1,101,608	1,308,595	62,064	–
Payments for redemptions by unitholders		(142,838)	(406,076)	(82,382)	(844,961)	(26,232)	(15,435)	(576,407)	(1,489,751)	(7,768)	–
Distributions paid from financing activities		(1,894)	(1,922)	(3,815)	(3,521)	(3,802)	(3,683)	(67,071)	(87,318)	(791)	–
Net cash inflow/(outflow) from financing activities		(28,294)	(332,231)	66,300	(164,701)	181,885	(8,328)	458,130	(268,474)	53,505	–
Net increase/(decrease) in cash and cash equivalents		784,574	(1,654)	(8,223)	14,327	1,496	22	13,146	5,962	451	–
Cash and cash equivalents at the beginning of the year		865	2,519	19,939	5,612	95	73	7,540	1,578	–	–
Cash and cash equivalents at the end of the year	11	785,439	865	11,716	19,939	1,591	95	20,686	7,540	451	–
Non-cash financing activities	16(b)										

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

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

Statement of cash flows

For the year ended 30 June 2015

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		29,938	308,958	265,950	596,404	178,128	1,621,209	989,036	450,037
Purchases of financial instruments held at fair value through profit or loss		(30,497)	(68,471)	(601,766)	(765,409)	(1,587,390)	(1,491,025)	(1,252,852)	(797,871)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		-	-	(91)	(161)	(241)	(270)	(306)	(174)
Dividends received		-	-	-	-	360,621	313,366	64,187	47,479
Interest received		-	-	-	(4)	1,475	1,219	74	59
Distributions received		-	-	187,100	163,970	47,765	39,586	10,653	6,066
Other income received		-	10	868	1,541	187	526	52	92
Responsible Entity's fees paid		(316)	(746)	(9,041)	(7,381)	(16,474)	(14,209)	(4,958)	(3,688)
Payment of other expenses		(4)	-	(619)	44	(58)	(3)	(40)	-
Net cash inflow/(outflow) from operating activities	16(a)	(879)	239,751	(157,599)	(10,996)	(1,015,987)	470,399	(194,154)	(298,000)
Cash flows from financing activities									
Proceeds from applications by unitholders		17,577	11,039	800,694	715,864	1,925,358	1,750,155	473,617	427,315
Payments for redemptions by unitholders		(14,395)	(250,808)	(577,120)	(617,967)	(737,142)	(2,111,666)	(211,775)	(88,980)
Distributions paid from financing activities		(96)	(7)	(93,104)	(68,617)	(142,928)	(111,822)	(60,143)	(36,617)
Net cash inflow/(outflow) from financing activities		3,086	(239,776)	130,470	29,280	1,045,288	(473,333)	201,699	301,718
Net increase/(decrease) in cash and cash equivalents		2,207	(25)	(27,129)	18,284	29,301	(2,934)	7,545	3,718
Cash and cash equivalents at the beginning of the year		77	102	32,287	14,003	59,703	62,637	3,871	153
Cash and cash equivalents at the end of the year	11	2,284	77	5,158	32,287	89,004	59,703	11,416	3,871
Non-cash financing activities	16(b)								

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

Notes to the financial statements

For the year ended 30 June 2015

1. General information

The Responsible Entity of the Vanguard Wholesale Funds is Vanguard Investments Australia Ltd. (the 'Responsible Entity'). The Responsible Entity's registered office is Level 34, Freshwater Place, 2 Southbank Boulevard, Southbank Vic 3006.

The Funds were constituted between 16 June 1998 and 17 December 2010 and will terminate between 15 June 2078 and 17 December 2098 unless terminated earlier in accordance with the provisions of the Constitutions of the Funds.

The Funds invest in accordance with the investment policy of the Funds as set out in the current Product Disclosure Statement (PDS) and in accordance with the Constitutions of the Funds. The Funds seek to match the total returns of the Funds respective indexes, before taking into account Fund fees and expenses.

The financial statements were authorised for issue by the directors on 28 August 2015. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial report is presented in the Australian currency.

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.

This financial report is 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 balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

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.

Compliance with International Financial Reporting Standards

The financial report of the Funds also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amended standards adopted by the Funds

The Funds had to change some of its accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2014. The affected policies are:

- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

The amendments made by AASB 2013-5 introduce an exception from the consolidation requirements for investment entities. The amendment provides relief from the requirement to consolidate any investments in subsidiaries. The Funds meet the definition of an investment entity under the standard. Therefore any investment in subsidiaries (other than those subsidiaries that provide investment related services) must be measured at fair value through profit and loss. The adoption of the amendment does not have any impact as the Funds do not have investments in subsidiaries.

The adoption of AASB 2013-4 did not have any impact on the current period or any prior period and is not likely to affect future periods.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2014 that have a material impact on the Funds.

(b) Financial instruments

(i) Classification

The Funds' investments are categorised as at fair value through profit or loss. They comprise:

- **Financial instruments held for trading**
Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification. All derivatives in a net receivable or payable position are shown gross and reported as either derivative financial assets or derivative financial liabilities. The Funds do not designate any derivatives as hedges in a hedging relationship.
- **Financial instruments designated at fair value through profit or loss upon initial recognition**
These include financial assets that are not held for trading purposes and which may be sold. These are investments in traded debt, unlisted trusts, unlisted equity instruments, commercial paper and exchange traded equity instruments.

Financial assets and financial liabilities designated at fair value through profit and loss at inception are those that are managed and their performance 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 instruments on a fair value basis together with other related financial information.

(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 have expired or the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

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

Notes to the financial statements (continued)

For the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

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 held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 quoted market price used for financial assets held by the Funds is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Further details on how the fair value of the financial instruments is determined are disclosed in note 4(a).

(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.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the Funds are required to distribute their taxable income. The units can be put back to the Funds at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

(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 within assets as cash on the balance sheet. Futures margin deposit accounts are restricted cash balances and accordingly are not included in cash and cash equivalents.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(e) Investment income

Interest income and expenses are recognised in the statement of comprehensive income for all financial assets that are not held at fair value through profit and loss using the effective interest method. Interest on assets held at fair value through profit and loss is included in the net gains/(losses) on financial assets. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Dividend income is recognised on the ex-dividend date net of any related foreign withholding tax, but inclusive of reclaims that are yet to be received.

Trust distributions are recognised on an entitlements basis.

(f) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in profit or loss on an accruals basis.

(g) Income tax

Under current legislation, the Funds are not subject to income tax provided the taxable income of the Funds are fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Funds).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be distributed so that the Funds are not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

(h) Distributions

In accordance with the Constitutions of the Funds, the Funds fully distribute their distributable income to unitholders by cash or reinvestment. Distributions payable are the amounts that the unitholders are presently entitled to as at 30 June 2015, but have not yet received. The distributions are payable at the end of September, December, March and June each year for all Funds except for Vanguard Cash Reserve Fund and Vanguard Cash Plus Fund which are payable at the end of each month. Distributions are recognised in the income statement as finance costs attributable to unitholders.

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in profit or loss as finance costs.

(j) 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 are regulated. The Australian dollar is also the Funds' presentation currency.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(j) Functional and presentation currency (continued)

(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 held at fair value through profit or loss.

(k) Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

(l) Margin deposit balances

Deposits held with brokers for margin, represent restricted margin deposits for derivative financial instruments.

The reported balance for collateral margins represents the level of restricted cash required to be settled as at close of business at balance date.

(m) Receivables

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 reporting date from the time of last payment using the effective interest rate method. 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.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet as unitholders are presently entitled to the distributable income under the Constitutions of the Funds.

(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. There are currently no entry or exit fees charged for the Funds.

(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 (RITC) at a rate ranging from 55% to 75%, hence Responsible Entity 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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2. Summary of significant accounting policies (continued)

(q) 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.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretation is set below:

(i) AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Funds do not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Funds' investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Funds.

The Funds have not yet decided when to adopt AASB 9.

(ii) AASB 15 *Revenue from Contracts with Customers*, (effective from 1 January 2017)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Funds' main source of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

(s) Rounding of amounts

The Funds are registered schemes of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order, unless otherwise indicated.

Notes to the financial statements (continued)

For the year ended 30 June 2015

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 programme focuses on ensuring compliance with the Funds' Product Disclosure Statement and seeks to deliver investment returns which closely match the total returns of selected indexes. The Funds use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the investment management department under the policies approved by the Board of Directors of the Responsible Entity.

The Funds use different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Funds are exposed to price risk whereby the future prices of the Funds securities are uncertain.

In any asset sector the returns of individual securities are a combination of the market return and returns specific to each security. By diversifying 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.

Note 3 (b) summarises the impact of an increase/decrease of each Fund's corresponding Index on net assets attributable to unitholders.

(ii) Foreign exchange risk

The Funds' assets are denominated in Australian dollars. There is no foreign exchange risk to any of the Funds presented in this financial report.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

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

The interest rate risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis for investments held indirectly through unit trusts. Consequently, the disclosure of interest rate risk in the above note may not represent the true interest rate risk profile of the Funds where the Funds have significant investments in unit trusts which also have exposure to the interest rate markets.

Those Funds whose exposure to interest rate risk is significant are set out in the following table:

	Vanguard Cash Reserve Fund				Vanguard Cash Plus Fund			
	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total
30 June 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	785,439	–	–	785,439	11,716	–	–	11,716
Futures margin deposit	74	–	–	74	17	–	–	17
Financial assets held at fair value through profit or loss	992,011	–	–	992,011	294,913	511,957	–	806,870
Other assets & receivables	–	–	49	49	–	–	414	414
Total assets	1,777,524	–	49	1,777,573	306,646	511,957	414	819,017
Liabilities								
Financial liabilities held at fair value through profit or loss	1	–	–	1	10	–	–	10
Other liabilities	–	–	3,239	3,239	–	–	3,348	3,348
Total liabilities (excluding net assets attributable to unitholders)	1	–	3,239	3,240	10	–	3,348	3,358
Net assets attributable to unitholders - liability	1,777,523	–	(3,190)	1,774,333	306,636	511,957	(2,934)	815,659
30 June 2014								
Assets								
Cash and cash equivalents	865	–	–	865	19,939	–	–	19,939
Futures margin deposit	71	–	–	71	83	–	–	83
Financial assets held at fair value through profit or loss	1,621,950	140,230	–	1,762,180	243,930	469,639	–	713,569
Other assets & receivables	–	–	101	101	–	–	4,320	4,320
Total assets	1,622,886	140,230	101	1,763,217	263,952	469,639	4,320	737,911
Liabilities								
Financial liabilities held at fair value through profit or loss	–	–	4	4	–	–	22	22
Other liabilities	–	–	4,828	4,828	–	–	7,260	7,260
Total liabilities (excluding net assets attributable to unitholders)	–	–	4,832	4,832	–	–	7,282	7,282
Net assets attributable to unitholders - liability	1,622,886	140,230	(4,731)	1,758,385	263,952	469,639	(2,962)	730,629

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

	Vanguard Australian Government Bond Index Fund				Vanguard Australian Fixed Interest Index Fund			
	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2015								
Assets								
Cash and cash equivalents	1,591	–	–	1,591	20,686	–	–	20,686
Futures margin deposit	41	–	–	41	54	–	–	54
Financial assets held at fair value through profit or loss	–	241,580	–	241,580	–	4,461,163	–	4,461,163
Other assets & receivables	–	–	832	832	–	–	17,383	17,383
Total assets	1,632	241,580	832	244,044	20,740	4,461,163	17,383	4,499,286
Liabilities								
Other liabilities	–	–	2,451	2,451	–	–	62,709	62,709
Total liabilities (excluding net assets attributable to unitholders)	–	–	2,451	2,451	–	–	62,709	62,709
Net assets attributable to unitholders - liability	1,632	241,580	(1,619)	241,593	20,740	4,461,163	(45,326)	4,436,577
30 June 2014								
Assets								
Cash and cash equivalents	95	–	–	95	7,540	–	–	7,540
Futures margin deposit	–	–	–	–	84	–	–	84
Financial assets held at fair value through profit or loss	–	55,548	–	55,548	–	3,804,829	–	3,804,829
Other assets & receivables	–	–	2,468	2,468	–	–	37,281	37,281
Total assets	95	55,548	2,468	58,111	7,624	3,804,829	37,281	3,849,734
Liabilities								
Other liabilities	–	–	2,553	2,553	–	–	78,417	78,417
Total liabilities (excluding net assets attributable to unitholders)	–	–	2,553	2,553	–	–	78,417	78,417
Net assets attributable to unitholders - liability	95	55,548	(85)	55,558	7,624	3,804,829	(41,136)	3,771,317

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

	Vanguard Australian Corporate Fixed Interest Index Fund*				Vanguard Australian Inflation-Linked Bond Index Fund			
	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total	Floating Interest Rate	Fixed Interest Rate	Non - Interest Bearing	Total
30 June 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	451	–	–	451	2,284	–	–	2,284
Futures margin deposit	13	–	–	13	–	–	–	–
Financial assets held at fair value through profit or loss	–	54,785	–	54,785	–	110,535	–	110,535
Other assets & receivables	–	–	211	211	–	–	252	252
Total assets	464	54,785	211	55,460	2,284	110,535	252	113,071
Liabilities								
Financial liabilities held at fair value through profit or loss	2	–	–	2	–	–	–	–
Other liabilities	–	–	639	639	–	–	3,170	3,170
Total liabilities (excluding net assets attributable to unitholders)	2	–	639	641	–	–	3,170	3,170
Net assets attributable to unitholders - liability	462	54,785	(428)	54,819	2,284	110,535	(2,918)	109,901
30 June 2014								
Assets								
Cash and cash equivalents	–	–	–	–	77	–	–	77
Futures margin deposit	–	–	–	–	–	–	–	–
Financial assets held at fair value through profit or loss	–	–	–	–	–	101,667	–	101,667
Other assets & receivables	–	–	–	–	–	–	760	760
Total assets	–	–	–	–	77	101,667	760	102,504
Liabilities								
Financial liabilities held at fair value through profit or loss	–	–	–	–	–	–	–	–
Other liabilities	–	–	–	–	–	–	1,380	1,380
Total liabilities (excluding net assets attributable to unitholders)	–	–	–	–	–	–	1,380	1,380
Net assets attributable to unitholders - liability	–	–	–	–	77	101,667	(620)	101,124

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Note 3 (b) summarises the impact of an increase/decrease of interest rates of each Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(b) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds' operating profit and net assets attributable to unitholders to interest rate risk, foreign exchange risk and price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates as well as the indices that the individual Funds are designed to track. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Price risk movement represents the range of historical index returns from the average return minus one standard deviation to the average return plus one standard deviation. For a normal distribution approximately two-thirds of the outcomes are expected to fall within plus or minus one standard deviation of the mean. Outcomes are expected to occur outside these ranges, approximately one-third of the time.

	Vanguard Cash Reserve Fund				Vanguard Cash Plus Fund							
	Impact on operating profit/(loss) and net assets attributable to unitholders											
	Price risk		Interest rate risk		Price risk		Interest rate risk					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
30 June 2015	0 %	+ 0%	- 50 bps	+ 50 bps	0 %	+ 1 %	- 50 bps	+ 50 bps	-	8,069	1,027	(1,027)
	-	-	(8,888)	8,888	-	8,069	1,027	(1,027)				
30 June 2014	+ 0 %	+ 1 %	- 30 bps	+ 30 bps	0 %	+ 1 %	- 30 bps	+ 30 bps	-	7,135	(617)	617
	-	17,622	(4,448)	4,448	-	7,135	(617)	617				

	Vanguard Australian Government Bond Index Fund				Vanguard Australian Fixed Interest Index Fund				Vanguard Australian Corporate Fixed Interest Index Fund*			
	Impact on operating profit/(loss) and net assets attributable to unitholders											
	Price risk		Interest rate risk		Price risk		Interest rate risk		Price risk		Interest rate risk	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2015	- 1%	+ 1 %	- 50 bps	+ 50 bps	0%	+ 1 %	- 50 bps	+ 50 bps	0%	+ 1 %	- 50 bps	+ 50 bps
	(2,416)	2,416	1,200	(1,200)	-	44,612	22,202	(22,202)	-	548	272	(272)
30 June 2014	- 1%	+ 1 %	- 30 bps	+ 30 bps	0%	+ 1 %	- 30 bps	+ 30 bps	-3%	+ 5 %	- 30 bps	+ 30 bps
	(555)	555	996	(996)	-	38,048	68,190	(68,190)	-	-	-	-

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Vanguard Australian Property Securities Index Fund				Vanguard Australian Shares Index Fund			
	Impact on operating profit/(loss) and net assets attributable to unitholders				Impact on operating profit/(loss) and net assets attributable to unitholders			
	Price risk		Interest rate risk		Price risk		Interest rate risk	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-4%	+5%	-50 bps	+50 bps	-3%	+4%	-50 bps	+50 bps
30 June 2015	(162,527)	203,159	(46)	46	(291,951)	389,269	(507)	507
	-4%	+5%	-30 bps	+30 bps	-3%	+5%	-30 bps	+30 bps
30 June 2014	(129,415)	161,768	(110)	110	(247,969)	413,282	(193)	193

	Vanguard Australian Shares High Yield Fund				Vanguard Australian Inflation-Linked Bond Index Fund			
	Impact on operating profit/(loss) and net assets attributable to unitholders				Impact on operating profit/(loss) and net assets attributable to unitholders			
	Price risk		Interest rate risk		Price risk		Interest rate risk	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-2%	+5%	-50 bps	+50 bps	-1%	+2%	-50 bps	+50 bps
30 June 2015	(29,118)	72,795	(69)	69	(1,105)	2,211	541	(541)
	-2%	+5%	-30 bps	+30 bps	-1%	+2%	-30 bps	+30 bps
30 June 2014	(25,056)	62,641	(13)	13	(1,017)	2,033	1,823	(1,823)

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that the Funds' trading counterparties become insolvent or cannot otherwise meet their obligations to the Funds in full when they fall due.

Funds which invest in fixed interest and debt securities are exposed to credit risk. This is the risk that an issuer of a fixed interest or debt security may not meet its payment obligations to the Funds. The Responsible Entity seeks to minimise this risk by diversifying a Fund's holdings across issuers. At 30 June 2015 there are no financial assets that are past due or impaired (2014: \$nil).

Any securities lending in the fixed interest Funds is with a selected group of counterparties, all of which have AA or better long-term and A1+ short-term Standard & Poor's credit ratings (or Moody's equivalent).

(i) Debt securities

There is credit risk associated with debt securities. Vanguard seeks to reduce this risk by selecting only debt securities with a sufficiently high credit rating and by diversifying the Funds' holding across issuers.

Vanguard will try to minimise the credit risk associated with holding bonds by primarily holding non-domestic government and supranational (issued by government-owned or government-guaranteed entities) bonds or other investment-grade entities.

Investment-grade issuers are defined as those rated BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's.

(ii) Derivative financial instruments

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 Vanguard Cash Reserve Fund, Vanguard Cash Plus Fund and Vanguard Australian Fixed Interest Index Fund also restrict their exposure to credit losses on derivative instruments they hold by entering into master netting arrangements with counterparties with whom they undertake a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross 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. As at 30 June 2015, the Funds had no master netting arrangements outstanding (2014: \$nil).

Vanguard Cash Reserve Fund entered into collateral arrangements for repurchase arrangements to assist in enhancing return in a risk controlled environment for the cashflow management of the Fund.

(iii) 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.

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A1+ 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.

(v) 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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(d) Liquidity risk

The Funds' approach to managing liquidity is to ensure that they will always have sufficient liquidity to meet their liabilities when due. Unitholders are able to withdraw their units at any time, and the Funds are therefore exposed to the liquidity risk of meeting unitholders' withdrawals at any time.

The Funds' financial instruments include investments in equity investments, fixed interest securities and derivative contracts traded over-the-counter. 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' portfolio.

The following tables summarise the maturity profile of the Funds' financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Funds can be required to pay.

(i) Maturities of non-derivative financial instruments

The Funds' non-derivative financial liabilities divided into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date are shown in the tables below. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

(ii) Maturities of gross settled derivative financial instruments

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

	Vanguard Cash Reserve Fund									
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	219	–	–	–	219	217	–	–	–	217
Distribution payable	3,015	–	–	–	3,015	3,719	–	–	–	3,719
Due to brokers - payables for securities purchased	–	–	–	–	–	–	–	–	–	–
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	1	–	–	1	–	4	–	–	4
Other liabilities	5	–	–	–	5	892	–	–	–	892
Net assets attributable to unitholders	1,774,333	–	–	–	1,774,333	1,758,385	–	–	–	1,758,385
Total financial liabilities (excluding gross settled derivatives)	1,777,572	1	–	–	1,777,573	1,763,213	4	–	–	1,763,217
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard Cash Plus Fund									
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	1 to 2 years \$'000	Total \$'000	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	1 to 2 years \$'000	Total \$'000
Maturity of non-derivative financial liabilities										
Payables	194	–	–	–	194	174	–	–	–	174
Distribution payable	1,676	–	–	–	1,676	1,929	–	–	–	1,929
Due to brokers - payables for securities purchased	–	–	–	–	–	5,106	–	–	–	5,106
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	10	–	–	10	–	9	13	–	22
Other liabilities	1,478	–	–	–	1,478	51	–	–	–	51
Net assets attributable to unitholders	815,659	–	–	–	815,659	730,629	–	–	–	730,629
Total financial liabilities (excluding gross settled derivatives)	819,007	10	–	–	819,017	737,889	9	13	–	737,911
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

	Vanguard Australian Government Bond Index Fund									
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	1 to 2 years \$'000	Total \$'000	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	1 to 2 years \$'000	Total \$'000
Maturity of non-derivative financial liabilities										
Payables	52	–	–	–	52	12	–	–	–	12
Distribution payable	1,679	–	–	–	1,679	932	–	–	–	932
Due to brokers - payables for securities purchased	116	–	–	–	116	654	–	–	–	654
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	–	–	–	–	–	–	–	–	–
Other liabilities	604	–	–	–	604	955	–	–	–	955
Net assets attributable to unitholders	241,593	–	–	–	241,593	55,558	–	–	–	55,558
Total financial liabilities (excluding gross settled derivatives)	244,044	–	–	–	244,044	58,111	–	–	–	58,111
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard Australian Fixed Interest Index Fund										
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	871	–	–	–	871	747	–	–	–	747
Distribution payable	42,419	–	–	–	42,419	46,164	–	–	–	46,164
Due to brokers - payables for securities purchased	17,786	–	–	–	17,786	28,942	–	–	–	28,942
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	–	–	–	–	–	–	–	–	–
Other liabilities	1,633	–	–	–	1,633	2,564	–	–	–	2,564
Net assets attributable to unitholders	4,436,577	–	–	–	4,436,577	3,771,317	–	–	–	3,771,317
Total financial liabilities (excluding gross settled derivatives)	4,499,286	–	–	–	4,499,286	3,849,734	–	–	–	3,849,734
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Vanguard Australian Corporate Fixed Interest Index Fund										
	As at 30 June 2015*					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	13	–	–	–	13	–	–	–	–	–
Distribution payable	576	–	–	–	576	–	–	–	–	–
Due to brokers - payables for securities purchased	50	–	–	–	50	–	–	–	–	–
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	2	–	–	2	–	–	–	–	–
Other liabilities	–	–	–	–	–	–	–	–	–	–
Net assets attributable to unitholders	54,819	–	–	–	54,819	–	–	–	–	–
Total financial liabilities (excluding gross settled derivatives)	55,458	2	–	–	55,460	–	–	–	–	–
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard Australian Property Securities Index Fund										
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	859	–	–	–	859	695	–	–	–	695
Distribution payable	72,422	–	–	–	72,422	70,954	–	–	–	70,954
Due to brokers - payables for securities purchased	3,571	–	–	–	3,571	11,713	–	–	–	11,713
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	357	–	–	357	–	342	–	–	342
Other liabilities	2,967	–	–	–	2,967	1,329	–	–	–	1,329
Net assets attributable to unitholders	4,060,562	–	–	–	4,060,562	3,277,895	–	–	–	3,277,895
Total financial liabilities (excluding gross settled derivatives)	4,140,381	357	–	–	4,140,738	3,362,586	342	–	–	3,362,928
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Vanguard Australian Shares Index Fund										
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	1,454	–	–	–	1,454	1,223	–	–	–	1,223
Distribution payable	77,141	–	–	–	77,141	73,285	–	–	–	73,285
Due to brokers - payables for securities purchased	11,715	–	–	–	11,715	4,143	–	–	–	4,143
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	2,748	–	–	2,748	–	639	–	–	639
Other liabilities	991	–	–	–	991	1,572	–	–	–	1,572
Net assets attributable to unitholders	9,846,180	–	–	–	9,846,180	8,334,390	–	–	–	8,334,390
Total financial liabilities (excluding gross settled derivatives)	9,937,481	2,748	–	–	9,940,229	8,414,613	639	–	–	8,415,252
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

3. Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard Australian Shares High Yield Fund										
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	435	–	–	–	435	367	–	–	–	367
Distribution payable	67,321	–	–	–	67,321	23,939	–	–	–	23,939
Due to brokers - payables for securities purchased	45,860	–	–	–	45,860	2,662	–	–	–	2,662
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	–	–	–	–	–	–	–	–	–
Other liabilities	638	–	–	–	638	373	–	–	–	373
Net assets attributable to unitholders	1,448,314	–	–	–	1,448,314	1,248,142	–	–	–	1,248,142
Total financial liabilities (excluding gross settled derivatives)	1,562,568	–	–	–	1,562,568	1,275,483	–	–	–	1,275,483
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Vanguard Australian Inflation-linked Bond Index Fund										
	As at 30 June 2015					As at 30 June 2014				
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total	Less than 1 month	1 to 6 months	6 to 12 months	1 to 2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity of non-derivative financial liabilities										
Payables	26	–	–	–	26	24	–	–	–	24
Distribution payable	882	–	–	–	882	574	–	–	–	574
Due to brokers - payables for securities purchased	2,262	–	–	–	2,262	782	–	–	–	782
Financial liabilities held at fair value through profit or loss (excluding gross settled derivatives)	–	–	–	–	–	–	–	–	–	–
Other liabilities	–	–	–	–	–	–	–	–	–	–
Net assets attributable to unitholders	109,901	–	–	–	109,901	101,124	–	–	–	101,124
Total financial liabilities (excluding gross settled derivatives)	113,071	–	–	–	113,071	102,504	–	–	–	102,504
Gross settled derivatives										
Derivative										
Inflows	–	–	–	–	–	–	–	–	–	–
(Outflows)	–	–	–	–	–	–	–	–	–	–
Total gross settled derivatives inflow (outflow)	–	–	–	–	–	–	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement

(a) Fair value estimation

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

- Financial assets / liabilities designated at fair value through profit or loss (FVTPL)
- Financial assets / liabilities held for trading
- Derivative financial instruments

The Funds had no assets or liabilities at fair value on a non-recurring basis in the current reporting period. The carrying amounts of the Funds assets and liabilities at the balance sheet date approximate their fair values.

Financial assets and liabilities held at fair value through profit and loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit and loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

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 balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

The Funds value 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.

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.

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.

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 balance sheet date applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the balance sheet date. 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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Funds' assets and liabilities measured and recognised at fair value as at 30 June 2015.

	Vanguard Cash Reserve Fund				Vanguard Cash Plus Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2015								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	37	–	–	37
Financial assets designated at fair value through profit or loss:								
Equity securities	–	–	–	–	–	–	–	–
Debt securities	817,534	174,477	–	992,011	–	806,833	–	806,833
Total	817,534	174,477	–	992,011	37	806,833	–	806,870
Financial liabilities								
Financial liabilities held for trading								
Derivatives	1	–	–	1	10	–	–	10
Total	1	–	–	1	10	–	–	10
30 June 2014								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	5	–	–	5
Financial assets designated at fair value through profit or loss:								
Equity securities	–	–	–	–	–	–	–	–
Debt securities	1,334,896	427,284	–	1,762,180	39,874	673,690	–	713,564
Total	1,334,896	427,284	–	1,762,180	39,879	673,690	–	713,569
Financial liabilities								
Financial liabilities held for trading								
Derivatives	4	–	–	4	22	–	–	22
Total	4	–	–	4	22	–	–	22

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy (continued)

	Vanguard Australian Government Bond Index Fund				Vanguard Australian Fixed Interest Index Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2015								
Financial assets								
Financial assets held for trading								
Derivatives	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equity securities								
Debt securities	-	241,580	-	241,580	-	4,461,163	-	4,461,163
Total	-	241,580	-	241,580	-	4,461,163	-	4,461,163
Financial liabilities								
Financial liabilities held for trading								
Derivatives	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
30 June 2014								
Financial assets								
Financial assets held for trading								
Derivatives	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equity securities								
Debt securities	-	55,548	-	55,548	-	3,804,829	-	3,804,829
Total	-	55,548	-	55,548	-	3,804,829	-	3,804,829
Financial liabilities								
Financial liabilities held for trading								
Derivatives	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy (continued)

	Vanguard Australia Corporate Fixed Interest Index Fund				Vanguard Australian Property Securities Index Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2015								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	–	–	–	–
Financial assets designated at fair value through profit or loss:								
Equity securities	–	–	–	–	4,063,538	–	–	4,063,538
Debt securities	–	54,785	–	54,785	–	–	–	–
Total	–	54,785	–	54,785	4,063,538	–	–	4,063,538
Financial liabilities								
Financial liabilities held for trading								
Derivatives	2	–	–	2	357	–	–	357
Total	2	–	–	2	357	–	–	357
30 June 2014								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	–	–	–	–
Financial assets designated at fair value through profit or loss:								
Equity securities	–	–	–	–	3,235,706	–	–	3,235,706
Debt securities	–	–	–	–	–	–	–	–
Total	–	–	–	–	3,235,706	–	–	3,235,706
Financial liabilities								
Financial liabilities held for trading								
Derivatives	–	–	–	–	342	–	–	342
Total	–	–	–	–	342	–	–	342

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy (continued)

	Vanguard Australian Shares Index Fund				Vanguard Australian Shares High Yield Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2015								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	44	–	–	44
Financial assets designated at fair value through profit or loss:								
Equity securities	9,733,728	733	–	9,734,461	1,455,854	–	–	1,455,854
Debt securities	–	–	–	–	–	–	–	–
Total	9,733,728	733	–	9,734,461	1,455,898	–	–	1,455,898
Financial liabilities								
Financial liabilities held for trading								
Derivatives	2,748	–	–	2,748	–	–	–	–
Total	2,748	–	–	2,748	–	–	–	–
30 June 2014								
Financial assets								
Financial assets held for trading								
Derivatives	–	–	–	–	–	–	–	–
Financial assets designated at fair value through profit or loss:								
Equity securities	8,266,234	38	–	8,266,272	1,252,810	–	–	1,252,810
Debt securities	–	–	–	–	–	–	–	–
Total	8,266,234	38	–	8,266,272	1,252,810	–	–	1,252,810
Financial liabilities								
Financial liabilities held for trading								
Derivatives	639	–	–	639	–	–	–	–
Total	639	–	–	639	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy (continued)

	Vanguard Australian Inflation-Linked Bond Index Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2015*				
Financial assets				
Financial assets held for trading				
Derivatives	–	–	–	–
Financial assets designated at fair value through profit or loss:				
Equity securities	–	–	–	–
International equity securities				–
Listed unit trust securities				–
Debt securities	–	110,535	–	110,535
Total	–	110,535	–	110,535
Financial liabilities				
Financial liabilities held for trading				
Derivatives	–	–	–	–
Total	–	–	–	–
30 June 2014				
Financial assets				
Financial assets held for trading				
Derivatives	–	–	–	–
Financial assets designated at fair value through profit or loss:				
Equity securities	–	–	–	–
Debt securities	–	101,667	–	101,667
Listed unit trust securities				–
Total	–	101,667	–	101,667
Financial liabilities				
Financial liabilities held for trading				
Derivatives	–	–	–	–
Total	–	–	–	–

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts, exchange traded derivatives, US government treasury bills and certain non-US sovereign obligations.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes to the financial statements (continued)

For the year ended 30 June 2015

4. Fair value measurement (continued)

(b) Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include, investment-grade corporate bonds and certain non-US sovereign obligations, certain listed equities, certain unlisted unit trusts, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Funds' unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments where available.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels as at 30 June 2015:

	Vanguard Australian Shares Index Fund			
	Level 1	Level 2	Level 3	Total
30 June 2015	\$'000	\$'000	\$'000	\$'000
Transfers between level 1 and 2:				
Equity securities	(685)	685	–	685

The equity securities transferred into level 2 relates to the frequency of quoted price valuations. There were no transfers into and out of level 3 during the reporting period.

Notes to the financial statements (continued)

For the year ended 30 June 2015

5. Interest income

This table shows the average balance for the major categories of interest-bearing assets, the amount of interest revenue and the average interest rate.

	2015			2014		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Vanguard Cash Plus Fund						
Fixed interest securities - domestic	767,535	35,343	4.60%	415,534	20,647	4.97%
Vanguard Australian Government Bond Index Fund						
Fixed interest securities - domestic	171,287	6,873	4.01%	52,546	2,598	4.94%
Vanguard Australian Fixed Interest Index Fund						
Fixed interest securities - domestic	4,190,889	189,312	4.52%	3,777,568	189,322	5.01%
Vanguard Australian Inflation-Linked Bond Index Fund						
Fixed interest securities - domestic	111,212	2,458	2.21%	216,455	6,904	3.19%
Vanguard Australian Corporate Fixed Interest Index Fund*						
Fixed interest securities - domestic	55,749	1,975	3.54%	—	—	—

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Interest revenue is recognised on an entitlements basis, and is shown in the income statement as part of net gains/losses on financial instruments designated at fair value. This is due to the discount securities and fixed interest securities being classified as financial instruments designated at fair value through profit or loss upon initial recognition, as detailed in note 2(b).

Notes to the financial statements (continued)

For the year ended 30 June 2015

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

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Net gain/(loss) on financial assets held for trading	(100)	(98)	(287)	(23)	9	(5)	(324)	(306)	(33)	–
Net gain/(loss) on financial assets designated at fair value through profit or loss	45,431	50,346	22,306	21,412	6,817	2,961	213,174	223,826	1,881	–
Net gain/(loss) on financial assets held at fair value through profit or loss	45,331	50,248	22,019	21,389	6,826	2,956	212,850	223,520	1,848	–
Net realised gain/(loss) on financial assets held at fair value through profit or loss	46,005	53,211	26,150	23,979	6,891	2,332	190,428	206,681	1,899	–
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	(674)	(2,963)	(4,131)	(2,590)	(65)	624	22,422	16,839	(51)	–
Net gain/(loss) on financial assets held at fair value through profit or loss	45,331	50,248	22,019	21,389	6,826	2,956	212,850	223,520	1,848	–
Financial liabilities										
Net gain/(loss) on financial liabilities held for trading	(1)	(4)	(10)	(22)	–	–	–	–	(2)	–
Net gain/(loss) on financial liabilities designated at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–
Net gain/(loss) on financial liabilities held at fair value through profit or loss	(1)	(4)	(10)	(22)	–	–	–	–	(2)	–
Net realised gain/(loss) on financial liabilities held at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–
Net unrealised gain/(loss) on financial liabilities held at fair value through profit or loss	(1)	(4)	(10)	(22)	–	–	–	–	(2)	–
Net gain/(loss) on financial liabilities held at fair value through profit or loss	(1)	(4)	(10)	(22)	–	–	–	–	(2)	–
Total net gain/(loss) on financial instruments held at fair value through profit or loss	45,330	50,244	22,009	21,367	6,826	2,956	212,850	223,520	1,846	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

6. Net gains/(losses) on financial instruments held at fair value through profit or loss (continued)

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Net gain/(loss) on financial assets held for trading	–	–	4,462	1,109	3,386	9,034	(1,156)	741
Net gain/(loss) on financial assets designated at fair value through profit or loss	6,321	9,882	495,751	121,192	56,299	918,430	(31,875)	103,044
Net gain/(loss) on financial assets held at fair value through profit or loss	6,321	9,882	500,213	122,301	59,685	927,464	(33,031)	103,785
Net realised gain/(loss) on financial assets held at fair value through profit or loss	3,725	(1,133)	26,281	17,450	(63,245)	229,653	34,316	29,965
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	2,596	11,015	473,932	104,851	122,930	697,811	(67,347)	73,820
Net gain/(loss) on financial assets held at fair value through profit or loss	6,321	9,882	500,213	122,301	59,685	927,464	(33,031)	103,785
Financial liabilities								
Net gain/(loss) on financial liabilities held for trading	–	–	(357)	(342)	(2,748)	(639)	–	–
Net gain/(loss) on financial liabilities designated at fair value through profit or loss	–	–	–	–	–	–	–	–
Net gain/(loss) on financial liabilities held at fair value through profit or loss	–	–	(357)	(342)	(2,748)	(639)	–	–
Net realised gain/(loss) on financial liabilities held at fair value through profit or loss	–	–	–	–	–	–	–	–
Net unrealised gain/(loss) on financial liabilities held at fair value through profit or loss	–	–	(357)	(342)	(2,748)	(639)	–	–
Net gain/(loss) on financial liabilities held at fair value through profit or loss	–	–	(357)	(342)	(2,748)	(639)	–	–
Total net gain/(loss) on financial instruments held at fair value through profit or loss	6,321	9,882	499,856	121,959	56,937	926,825	(33,031)	103,785

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

7. Auditor's remuneration

The auditor's remuneration is borne by the Responsible Entity. Other services include the audit of the Compliance Plans and Internal Controls Report (GS 007). During the year, the following fees were paid and payable for services provided by the auditor of the Funds.

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
Auditor's remuneration	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
for auditing the financial statements	10,811	10,811	11,301	11,301	21,666	21,766	27,602	27,702	20,732	–
other services	16,308	17,217	16,308	17,217	16,308	17,217	16,308	17,217	16,308	–

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
Auditor's remuneration	\$	\$	\$	\$	\$	\$	\$	\$
for auditing the financial statements	12,772	12,772	26,078	26,178	24,890	24,990	22,156	22,256
other services	16,308	17,217	16,308	17,217	16,308	17,217	16,308	17,217

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

8. Responsible Entity's fees

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015* \$'000	2014 \$'000
Responsible Entity's fees incurred by the Funds	2,631	2,873	2,221	2,170	318	689	119	–
Management costs per annum	0.15%	0.15%	0.29%	0.29%	0.29%	0.29%	0.29%	–

	Vanguard Australian Government Bond Index Fund (Ordinary Unit Class)		Vanguard Australian Government Bond Index Fund (ETF Unit Class)		Vanguard Australian Fixed Interest Index Fund (Ordinary Unit Class)		Vanguard Australian Fixed Interest Index Fund (ETF Unit Class)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Responsible Entity's fees incurred by the Funds	376	124	55	23	9,574	8,931	222	51
Management costs per annum	0.29%	0.29%	0.20%	0.20%	0.24%	0.24%	0.20%	0.20%

	Vanguard Australian Property Securities Index Fund (Ordinary Unit Class)		Vanguard Australian Property Securities Index Fund (ETF Unit Class)		Vanguard Australian Shares High Yield Fund (Ordinary Unit Class)		Vanguard Australian Shares High Yield Fund (ETF Unit Class)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Responsible Entity's fees incurred by the Funds	8,422	7,103	790	354	3,827	2,998	1,198	824
Management costs per annum	0.24%	0.24%	0.25%	0.25%	0.40%	0.40%	0.25%	0.25%

	Vanguard Australian Shares Index Fund (Ordinary Unit Class)		Vanguard Australian Shares Index Fund (ETF Unit Class)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Responsible Entity's fees incurred by the Funds	15,378	13,539	1,328	795
Management costs per annum	0.18%	0.18%	0.15%	0.15%

* Vanguard Australian Corporate Fixed Interest Index Fund inception date was 10 October 2014

Notes to the financial statements (continued)

For the year ended 30 June 2015

9. Distributions to unitholders paid and payable

	Vanguard Cash Reserve Fund				Vanguard Cash Plus Fund				Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Australian Corporate Fixed Interest Index Fund			
	2015		2014		2015		2014		2015		2014		2015*		2014	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Interim distributions paid	39,604	2.2834	44,061	2.3094	17,695	2.3681	18,013	2.4165	1,882	1.8716	2,602	0.8814	790	1.4393	–	–
Distribution payable - 30 June	3,015	0.1707	3,719	0.2124	1,676	0.2094	1,929	0.2689	882	0.8758	574	0.5994	576	1.0626	–	–
Total Distributions to unitholders	42,619	2.4541	47,780	2.5218	19,371	2.5775	19,942	2.6854	2,764	2.7474	3,176	1.4808	1,366	2.5019	–	–

	Vanguard Australian Government Bond Index Fund (Ordinary Unit Class)				Vanguard Australian Government Bond Index Fund (ETF Unit Class)				Vanguard Australian Fixed Interest Index Fund (Ordinary Unit Class)				Vanguard Australian Fixed Interest Index Fund (ETF Unit Class)			
	2015		2014		2015		2014		2015		2014		2015		2014	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Interim distributions paid	2,515	2.2709	1,524	3.7447	519	100.4100	431	179.4196	119,679	3.4482	145,654	4.3157	2,981	145.1508	942	189.1350
Distribution payable - 30 June	1,331	0.7048	716	1.6828	348	34.1155	216	76.3081	40,385	1.0792	45,630	1.3640	2,034	47.6239	534	61.6094
Total Distributions to unitholders	3,846	2.9757	2,240	5.4275	867	134.5255	647	255.7277	160,064	4.5274	191,284	5.6797	5,015	192.7747	1,476	250.7444

	Vanguard Australian Property Securities Index Fund (Ordinary Unit Class)				Vanguard Australian Property Securities Index Fund (ETF Unit Class)				Vanguard Australian Shares High Yield Fund (Ordinary Unit Class)				Vanguard Australian Shares High Yield Fund (ETF Unit Class)			
	2015		2014		2015		2014		2015		2014		2015		2014	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Interim distributions paid	86,903	2.1163	111,802	2.7648	8,096	174.7307	5,343	228.4858	36,254	6.6549	26,888	6.3583	18,553	256.6464	12,415	249.3252
Distribution payable - 30 June	65,021	1.5411	66,474	1.6267	7,401	127.6942	4,480	134.0503	51,812	9.1118	16,131	3.2661	15,509	183.3564	7,808	126.9436
Total Distributions to unitholders	151,924	3.6574	178,276	4.3915	15,497	302.4249	9,823	362.5361	88,066	15.7667	43,019	9.6244	34,062	440.0028	20,223	376.2688

	Vanguard Australian Shares Index Fund (Ordinary Unit Class)				Vanguard Australian Shares Index Fund (ETF Unit Class)			
	2015		2014		2015		2014	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Interim distributions paid	284,618	6.9007	263,059	6.8163	29,514	241.0667	17,804	238.2865
Distribution payable - 30 June	68,401	1.5583	67,178	1.7340	8,740	55.2457	6,107	60.8063
Total Distributions to unitholders	353,019	8.4590	330,237	8.5503	38,254	296.3124	23,911	299.0928

* Vanguard Australian Corporate Fixed Interest Index Fund inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015 '000	2014 '000	2015 '000	2014 '000	2015 '000	2014 '000	2015* '000	2014 '000
(a) Units on issue								
Opening balance	1,750,621	2,013,679	717,341	860,418	95,733	331,656	–	–
Applications	115,751	75,398	149,477	669,599	15,685	10,936	61,767	–
Distributions reinvested	41,242	46,480	15,505	16,764	2,141	3,748	–	–
Redemptions	(141,144)	(384,936)	(82,099)	(829,440)	(12,868)	(250,607)	(7,579)	–
Closing balance	1,766,470	1,750,621	800,224	717,341	100,691	95,733	54,188	–
	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Net assets attributable to unitholders								
Opening balance	1,758,385	2,022,978	730,629	876,457	101,124	331,129	–	–
Applications	116,382	75,824	152,614	682,790	17,577	11,040	62,226	–
Distributions reinvested	41,428	46,692	15,808	17,083	2,360	3,746	–	–
Redemptions	(141,952)	(386,952)	(83,809)	(844,979)	(14,396)	(250,808)	(7,768)	–
Increase/(decrease) in net assets attributable to unitholders	90	(157)	417	(722)	3,236	6,017	361	–
Closing Balance	1,774,333	1,758,385	815,659	730,629	109,901	101,124	54,819	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

	Vanguard Australian Government Bond Index Fund					
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(a) Units on issue						
Opening balance	42,555	281		47,905	240	
Applications	171,008	730		10,754	40	
Distributions reinvested	160	1		233	1	
Redemptions	(24,992)	–		(16,337)	–	
Closing balance	188,731	1,012		42,555	281	
(b) Net assets attributable to unitholders						
Opening balance			55,558			58,953
Applications	174,147	35,734	209,881	10,738	1,907	12,645
Distributions reinvested	164	69	233	231	38	269
Redemptions	(25,799)	–	(25,799)	(16,231)	–	(16,231)
Increase/(decrease) in net assets attributable to unitholders			1,720			(78)
Closing Balance			241,593			55,558

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

	Vanguard Australian Property Securities Index Fund					
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(a) Units on issue						
Opening balance	4,086,518	3,331		4,042,963	1,524	
Applications	735,926	2,420		830,230	1,800	
Distributions reinvested	90,603	11		86,356	7	
Redemptions	(693,866)	–		(873,031)	–	
Closing balance	4,219,181	5,762		4,086,518	3,331	
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(b) Net assets attributable to unitholders						
Opening balance			3,277,895			2,998,949
Applications	629,966	169,671	799,637	596,380	106,738	703,118
Distributions reinvested	72,850	794	73,644	60,700	339	61,039
Redemptions	(578,758)	–	(578,758)	(617,836)	–	(617,836)
Increase/(decrease) in net assets attributable to unitholders			488,144			132,625
Closing Balance			4,060,562			3,277,895

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

	Vanguard Australian Shares Index Fund					
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(a) Units on issue						
Opening balance	3,874,070	9,964		4,062,239	6,494	
Applications	734,254	6,220		776,381	3,420	
Distributions reinvested	122,204	75		119,019	50	
Redemptions	(341,022)	(600)		(1,083,569)	–	
Closing balance	4,389,506	15,659		3,874,070	9,964	
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(b) Net assets attributable to unitholders						
Opening balance			8,334,390			7,553,939
Applications	1,488,502	442,798	1,931,300	1,507,636	232,849	1,740,485
Distributions reinvested	244,489	5,205	249,694	226,795	3,333	230,128
Redemptions	(694,103)	(42,459)	(736,562)	(2,111,334)	–	(2,111,334)
Increase/(decrease) in net assets attributable to unitholders			67,358			921,172
Closing Balance			9,846,180			8,334,390

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

	Vanguard Australian Shares High Yield Fund					
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(a) Units on issue						
Opening balance	493,883	6,137		380,152	3,745	
Applications	156,515	3,040		160,496	2,380	
Distributions reinvested	10,812	41		5,346	12	
Redemptions	(92,588)	(780)		(52,111)	–	
Closing balance	568,622	8,438		493,883	6,137	
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(b) Net assets attributable to unitholders						
Opening balance			1,248,142			804,736
Applications	276,975	201,195	478,170	272,907	153,074	425,981
Distributions reinvested	15,909	2,693	18,602	8,971	798	9,769
Redemptions	(162,679)	(49,361)	(212,040)	(88,933)	–	(88,933)
Increase/(decrease) in net assets attributable to unitholders			(84,560)			96,589
Closing Balance			1,448,314			1,248,142

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

	Vanguard Australian Fixed Interest Index Fund					
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(a) Units on issue						
Opening balance	3,345,246	862		3,444,053	261	
Applications	814,581	3,380		1,142,640	600	
Distributions reinvested	89,749	4		103,098	1	
Redemptions	(507,508)	–		(1,344,545)	–	
Closing balance	3,742,068	4,246		3,345,246	862	
	2015			2014		
	Ordinary Units	ETF Class Units	Total	Ordinary Units	ETF Class Units	Total
	'000	'000	'000	'000	'000	'000
(b) Net assets attributable to unitholders						
Opening balance			3,771,317			3,829,889
Applications	932,187	168,413	1,100,600	1,266,053	28,827	1,294,880
Distributions reinvested	101,753	234	101,987	113,456	58	113,514
Redemptions	(575,476)	–	(575,476)	(1,488,788)	–	(1,488,788)
Increase/(decrease) in net assets attributable to unitholders			38,149			21,822
Closing Balance			4,436,577			3,771,317

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 Cash Reserve Fund, Vanguard Cash Plus Fund and Vanguard Australian Inflation-Linked Bond Index Fund have no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

The Vanguard Australian Shares Index Fund ("VASIF") offers two classes of units, Ordinary Units and ETF Class Units. The ETF Class Units commenced on 8 May 2009 and are traded on the Australian Stock Exchange. Each unit has the same rights attaching to it as all other units of the relevant class.

The Vanguard Australian Property Securities Index Fund ("VAPSIF") offers two classes of units, Ordinary Units and ETF Class Units. The ETF Class Units commenced on 11 October 2010 and are traded on the Australian Stock Exchange. Each unit has the same rights attaching to it as all other units of the relevant class.

The Vanguard Australian Shares High Yield Fund ("VASHYF") offers two classes of units, Ordinary Units and ETF Class Units. The ETF Class Units commenced on 26 May 2011 and are traded on the Australian Stock Exchange. Each unit has the same rights attaching to it as all other units of the relevant class.

The Vanguard Australian Government Bond Index Fund ("VAGBIF") offers two classes of units, Ordinary Units and ETF Class Units. The ETF Class Units commenced on 24 April 2012 and are traded on the Australian Stock Exchange. Each unit has the same rights attaching to it as all other units of the relevant class.

The Vanguard Australian Fixed Interest Index Fund ("VAFIIF") offers two classes of units, Ordinary Units and ETF Class Units. The ETF Class Units commenced on 31 October 2012 and are traded on the Australian Stock Exchange. Each unit has the same rights attaching to it as all other units of the relevant class.

Movements in the number of units and net assets attributable to unitholders are governed by the Constitutions of the Funds.

Notes to the financial statements (continued)

For the year ended 30 June 2015

10. Net assets attributable to unitholders (continued)

Capital risk management

The Funds manage their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. 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 the unitholders.

The Funds monitor the level of daily applications and redemptions relative to the net liquid assets in the Funds. The net liquid assets include cash and cash equivalents, financial assets designated at fair value through profit and loss, receivables and payables with a maturity of less than 30 days.

The ratio of net liquid assets to net assets attributable to unitholders (NAATU) at end of reporting periods are as follows:

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Average daily net applications/(redemptions)	(102)	(1,240)	274	(646)	733	(14)	2,092	(773)	217	–
Net liquid assets of the fund	1,774,333	1,758,385	815,659	730,629	241,593	55,558	4,436,577	3,771,317	54,819	–
Net assets attributable to unitholders (NAATU)	1,774,333	1,758,385	815,659	730,629	241,593	55,558	4,436,577	3,771,317	54,819	–
Ratio of net liquid assets to NAATU	100%	100%	100%	100%	100%	100%	100%	100%	100%	–

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Average daily net applications/(redemptions)	13	(955)	880	340	4,760	(1,477)	1,060	1,343
Net liquid assets of the fund	109,901	101,124	4,060,562	3,277,895	9,846,180	8,334,390	1,448,314	1,248,142
Net assets attributable to unitholders (NAATU)	109,901	101,124	4,060,562	3,277,895	9,846,180	8,334,390	1,448,314	1,248,142
Ratio of net liquid assets to NAATU	100%	100%	100%	100%	100%	100%	100%	100%

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

11. Cash and cash equivalents

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank as at 30 June	785,439	865	11,716	19,939	1,591	95	20,686	7,540	451	—

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank as at 30 June	2,284	77	5,158	32,287	89,004	59,703	11,416	3,871

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

12. Financial assets held at fair value through profit or loss

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000
Held for trading										
Derivatives	–	–	37	5	–	–	–	–	–	–
Total held for trading	–	–	37	5	–	–	–	–	–	–
Designated at fair value through profit or loss										
Equity securities										
Fixed interest securities	992,011	1,762,180	806,833	713,564	241,580	55,548	4,461,163	3,804,829	54,785	–
Total designated at fair value through profit or loss	992,011	1,762,180	806,833	713,564	241,580	55,548	4,461,163	3,804,829	54,785	–
Total financial assets held at fair value through profit or loss	992,011	1,762,180	806,870	713,569	241,580	55,548	4,461,163	3,804,829	54,785	–
Comprising:										
Derivatives										
Australian share price futures	–	–	–	–	–	–	–	–	–	–
Australian interest rate futures	–	–	37	5	–	–	–	–	–	–
Total derivatives	–	–	37	5	–	–	–	–	–	–
Equity securities										
Australian equity securities	–	–	–	–	–	–	–	–	–	–
Total equity securities	–	–	–	–	–	–	–	–	–	–
Fixed interest securities										
Australian fixed interest securities	992,011	1,762,180	806,833	713,564	241,580	55,548	4,461,163	3,804,829	54,785	–
Total fixed interest securities	992,011	1,762,180	806,833	713,564	241,580	55,548	4,461,163	3,804,829	54,785	–
Total financial assets held at fair value through profit or loss	992,011	1,762,180	806,870	713,569	241,580	55,548	4,461,163	3,804,829	54,785	–

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Master netting arrangement - not currently enforceable

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.

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

Notes to the financial statements (continued)

For the year ended 30 June 2015

12. Financial assets held at fair value through profit or loss (continued)

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000
Held for trading								
Derivatives	–	–	–	–	–	–	44	–
Total held for trading	–	–	–	–	–	–	44	–
Designated at fair value through profit or loss								
Equity securities	–	–	4,063,538	3,235,706	9,734,461	8,266,272	1,455,854	1,252,810
Fixed interest securities	110,535	101,667	–	–	–	–	–	–
Total designated at fair value through profit or loss	110,535	101,667	4,063,538	3,235,706	9,734,461	8,266,272	1,455,854	1,252,810
Total financial assets held at fair value through profit or loss	110,535	101,667	4,063,538	3,235,706	9,734,461	8,266,272	1,455,898	1,252,810
Comprising:								
Derivatives								
Australian share price futures	–	–	–	–	–	–	44	–
Australian interest rate futures	–	–	–	–	–	–	–	–
Total derivatives	–	–	–	–	–	–	44	–
Equity securities								
Australian equity securities	–	–	4,063,538	3,235,706	9,734,461	8,264,445	1,455,854	1,252,810
International equity securities	–	–	–	–	–	1,827	–	–
Total equity securities	–	–	4,063,538	3,235,706	9,734,461	8,266,272	1,455,854	1,252,810
Fixed interest securities								
Australian fixed interest securities	110,535	101,667	–	–	–	–	–	–
Units in International shares trusts	–	–	–	–	–	–	–	–
Total Unlisted Unit Trusts	110,535	101,667	–	–	–	–	–	–
Total financial assets held at fair value through profit or loss	110,535	101,667	4,063,538	3,235,706	9,734,461	8,266,272	1,455,898	1,252,810

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 2015

13. Financial liabilities held at fair value through profit or loss

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Held for trading										
Derivatives	1	4	10	22	-	-	-	-	2	-
Total held for trading	1	4	10	22	-	-	-	-	2	-
Total financial liabilities held at fair value through profit or loss	1	4	10	22	-	-	-	-	2	-
Comprising:										
Derivatives										
Australian share price futures	-	-	-	-	-	-	-	-	-	-
Australian interest rate futures	1	4	10	22	-	-	-	-	2	-
Total derivatives	1	4	10	22	-	-	-	-	2	-
Total financial liabilities held at fair value through profit or loss	1	4	10	22	-	-	-	-	2	-

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Held for trading								
Derivatives	-	-	357	342	2,748	639	-	-
Total held for trading	-	-	357	342	2,748	639	-	-
Total financial liabilities held at fair value through profit or loss	-	-	357	342	2,748	639	-	-
Comprising:								
Derivatives								
Australian share price futures	-	-	357	342	2,748	639	-	-
Australian interest rate futures	-	-	-	-	-	-	-	-
Total derivatives	-	-	357	342	2,748	639	-	-
Total financial liabilities held at fair value through profit or loss	-	-	357	342	2,748	639	-	-

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

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 2015

14. 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 instrument:

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 settled 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.

Futures contracts entered into by the Funds typically mature within 3 months from the date of acquisition.

	Vanguard Cash Reserve Fund						Vanguard Cash Plus Fund					
	2015			2014			2015			2014		
	Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian fixed interest futures	37,194	–	1	83,721	–	4	65,528	37	10	68,091	5	22
Total	37,194	–	1	83,721	–	4	65,528	37	10	68,091	5	22

Notes to the financial statements (continued)

For the year ended 30 June 2015

14. Derivative financial instruments

	Vanguard Australian Government Bond Index Fund						Vanguard Australian Fixed Interest Index Fund					
	2015			2014			2015			2014		
	Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian fixed interest futures	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

	Vanguard Australian Corporate Fixed Interest Index Fund						Vanguard Australian Inflation-Linked Bond Index Fund					
	2015*			2014			2015			2014		
	Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian fixed interest futures	(293)	-	(2)	-	-	-	-	-	-	-	-	-
Total	(293)	-	(2)	-	-	-	-	-	-	-	-	-

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

	Vanguard Australian Property Securities Index Fund						Vanguard Australian Shares Index Fund					
	2015			2014			2015			2014		
	Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value		Contract / Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian share price index futures	20,825	-	357	71,016	-	342	149,874	-	2,748	105,875	-	639
Total	20,825	-	357	71,016	-	342	149,874	-	2,748	105,875	-	639

	Vanguard Australian Shares High Yield Fund					
	2015			2014		
	Contract / Notional	Fair value		Contract / Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australian share price index futures	11,332	44	-	-	-	-
Total	11,332	44	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties

The Responsible Entity of the Vanguard Wholesale Funds is Vanguard Investments Australia Ltd (ABN 72 072 881 086 AFSL 227263), which is a wholly owned subsidiary of The Vanguard Group, Inc. in the United States of America.

(a) Key management personnel

The Funds do not employ personnel in their own right. However the Funds are required to have an incorporated Responsible Entity to manage the activities of the Funds. The directors of the Responsible Entity are the Key Management Personnel.

(i) Directors

The directors of the Responsible Entity are key management personnel of that entity and their names are as follows:

- J M Norris
- G W Reed
- J M James (Resigned 30 June 2015)
- C R Comegys
- C Lui
- C Kelton (Appointed 1 July 2015)

(ii) Key management personnel compensation

The Responsible Entity is entitled to receive a management fee as detailed in note 15(b) below. Payments made from the Funds to the Responsible Entity do not include any amounts directly attributable to the compensation of the directors of the Responsible Entity.

No compensation is paid directly by the Funds to directors or to any of the key management personnel of the Responsible Entity.

(iii) 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.

(iv) Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time Vanguard Investments Australia Ltd or its director related entities may invest in or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other Funds' investors and are domestic in nature.

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(b) Responsible entity's fees and other transactions

Under the Constitution for each Fund, the Responsible Entity is entitled to receive management fees up to the following limits:

- up to 0.2% per annum of the net asset value for the Vanguard Cash Plus Fund and Vanguard Australian Fixed Interest Index Fund;
- up to 0.25% per annum of the net asset value for the Vanguard Australian Property Securities Index Fund and Vanguard Australian Shares Index Fund;
- up to 0.5% per annum of the net asset value for the Vanguard Australian Shares High Yield Fund;
- up to 1.5% per annum of the net asset value for the Vanguard Cash Reserve Fund, Vanguard Australian Government Bond Index Fund and Vanguard Australian Inflation-Linked Bond Index Fund.

The above limits do not take into account Goods and Services Tax (GST).

In the current PDS for the Funds, the Responsible Entity has undertaken to limit the amount of its fees and certain expense recoveries to a 'management cost' specified for each Fund.

The following table sets out the total Responsible Entity fee and recoverable expenses deducted in respect of each Fund. The amounts shown take into account GST and expected input tax credits.

Note that the table does not take into account rebates paid by the Responsible Entity (out of the Responsible Entity's own assets) to particular investors in accordance with the *Corporations Act 2001*, relevant ASIC class orders and policy and the PDS for the Funds.

	2015	2014
	% per annum	% per annum
Management costs		
Vanguard Cash Reserve Fund	0.15	0.15
Vanguard Cash Plus Fund	0.29	0.29
Vanguard Australian Government Bond Index Fund	0.29	0.29
Vanguard Australian Government Bond Index Fund (ETF Unit class)	0.20	0.20
Vanguard Australian Fixed Interest Index Fund (Ordinary Units)	0.24	0.24
Vanguard Australian Fixed Interest Index Fund (ETF Unit class)	0.20	0.20
Vanguard Australian Corporate Fixed Interest Index Fund*	0.29	n/a
Vanguard Australian Inflation-Linked Bond Index Fund	0.29	0.29
Vanguard Australian Property Securities Index Fund (Ordinary Units)	0.24	0.24
Vanguard Australian Property Securities Index Fund (ETF Unit class)	0.25	0.25
Vanguard Australian Shares Index Fund (Ordinary Units)	0.18	0.18
Vanguard Australian Shares Index Fund (ETF Unit class)	0.15	0.15
Vanguard Australian Shares High Yield Fund (Ordinary Units)	0.40	0.40
Vanguard Australian Shares High Yield Fund (ETF Unit class)	0.25	0.25

*Vanguard Australian Corporate Fixed Interest Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(b) Responsible entity's fees and other transactions (continued)

The transactions during the year and amounts payable at year end between the Funds and the Responsible Entity were as follows:

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fees paid and payable for the period by the Fund to the Responsible Entity	2,631	2,873	2,221	2,170	431	147	9,796	8,982	119	–
Aggregate amounts payable to the Responsible Entity at the reporting date	219	217	194	174	52	12	871	747	13	–

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fees paid and payable for the period by the Fund to the Responsible Entity	318	689	9,212	7,457	16,706	14,334	5,025	3,822
Aggregate amounts payable to the Responsible Entity at the reporting date	26	24	859	695	1,454	1,223	435	367

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date is 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(c) Related party schemes' unitholdings

Vanguard Investments Australia Ltd held units in the Funds as follows:

	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			%	%					\$	\$
Vanguard Cash Plus Fund	14,538,654	14,538,654	1.82	2.03	–	–	–	–	374,740	390,418
Vanguard Cash Reserve Fund	14,866,202	14,866,202	0.84	0.85	–	–	–	–	364,829	374,906
Vanguard Australian Corporate Fixed Interest Index Fund	14,967,072	–	27.62	–	14,967,072	–	–	–	374,460	–

(d) Key management personnel unitholdings

All transactions between the Funds and Key Management Personnel are undertaken on normal terms and conditions.

The key management personnel of Vanguard Investments Australia Ltd held units in the Funds as follows:

	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			%	%					\$	\$
J M James and related parties										
- Vanguard Australian Shares Index Fund	–	–	–	–	–	–	–	109,247	–	3,038
- Vanguard Australian Shares High Yield Fund	–	–	–	–	–	–	–	101,406	–	2,480
- Vanguard Australian Shares Index Fund - ETF Class	–	–	–	–	–	–	–	–	–	–

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(e) Related Party investments

The Funds had no investment in Vanguard Investments Australia Ltd during the year.

The Funds did not hold any investments in other Schemes managed by Vanguard Investments Australia Ltd (VIA) during the year.

Other schemes managed by Vanguard Investments Australia Ltd held investments in the Funds during the year as indicated:

Investments by :	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/ payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Vanguard Cash Plus Fund			%	%					\$'000	\$'000
By other schemes managed by VIA:										
Vanguard Investor Cash Plus Fund	19,477,304	18,275,054	2.43	2.55	6,350,761	5,584,481	5,148,511	8,346,152	462	533
Vanguard LifeStrategy Conservative Fund	2,197,865	1,105,076	0.27	0.15	1,137,041	1,080,298	44,252	3,385,212	40	57
Vanguard LifeStrategy Balanced Fund	-	-	-	-	-	823,795	-	7,896,695	-	84
Vanguard LifeStrategy Growth Fund	-	-	-	-	-	366,726	-	2,097,655	-	21
Vanguard Conservative Index Fund	148,767,240	104,596,043	18.59	14.58	44,347,712	85,737,179	176,515	293,097,487	3,306	5,489
Vanguard Balanced Index Fund	-	-	-	-	-	88,065,520	-	416,539,252	-	4,290
Vanguard Growth Index Fund	-	-	-	-	-	8,145,368	-	33,582,754	-	470

Other Schemes managed by Vanguard Investments Australia Ltd did not hold any units in the Funds during the period.

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(e) Related Party investments (continued)

Investments by:	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Vanguard Australian Fixed Interest Index Fund			%	%					\$'000	\$'000
By other schemes managed by VIA:										
Vanguard Index Diversified Bond Fund	27,227,759	21,904,193	0.73	0.65	6,692,363	3,054,108	1,368,797	5,843,410	1,133	1,288
Vanguard LifeStrategy Conservative Fund	4,578,175	2,393,180	0.12	0.07	2,425,709	1,708,427	240,714	122,692	158	112
Vanguard LifeStrategy Balanced Fund	10,937,209	7,720,332	0.29	0.23	4,869,937	5,145,129	1,653,060	589,474	431	366
Vanguard LifeStrategy Growth Fund	13,351,782	10,694,143	0.36	0.32	3,648,075	3,719,902	990,436	1,714,176	549	582
Vanguard LifeStrategy High Growth Fund	4,289,450	3,495,249	0.11	0.10	2,578,041	1,604,969	1,783,840	958,023	176	189
Vanguard Conservative Index Fund	323,876,711	229,717,959	8.66	6.87	94,797,630	162,858,379	638,878	6,735,731	12,777	10,623
Vanguard Balanced Index Fund	521,641,005	405,209,295	13.94	12.11	121,288,781	258,382,724	4,857,071	2,019,085	21,259	19,283
Vanguard Growth Index Fund	233,117,555	198,178,860	6.23	5.92	60,435,636	75,437,737	25,496,941	6,755,827	9,901	10,187
Vanguard High Growth Index Fund	38,732,634	32,552,122	1.04	0.97	12,292,771	12,851,762	6,112,259	5,209,826	1,612	1,754
Vanguard Diversified Bond Index Fund	98,612,820	108,294,898	2.64	3.24	17,320,195	21,156,524	27,002,273	40,847,736	4,349	7,257

Investments by:	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Vanguard Australian Property Securities Index Fund			%	%					\$'000	\$'000
By other schemes managed by VIA:										
Vanguard Index Australian Property Securities Fund	112,626,552	106,976,486	2.67	2.62	15,609,976	12,401,859	9,959,910	16,388,005	4,042	4,741
Vanguard LifeStrategy Conservative Fund	472,538	293,139	0.01	0.01	185,617	87,859	6,218	9,318	14	12
Vanguard LifeStrategy Balanced Fund	2,036,092	1,678,159	0.05	0.04	396,785	454,360	38,852	52,938	70	71
Vanguard LifeStrategy Growth Fund	5,493,708	5,468,329	0.13	0.13	506,986	872,306	481,607	119,222	197	237
Vanguard LifeStrategy High Growth Fund	6,538,042	6,597,070	0.15	0.16	342,467	1,146,971	401,495	11,054	237	279
Vanguard Conservative Index Fund	34,981,599	27,823,809	0.83	0.68	7,157,790	9,355,072	-	865,712	1,188	1,181
Vanguard Balanced Index Fund	98,772,093	89,745,465	2.34	2.20	9,072,456	33,369,554	45,828	5,506,608	3,474	3,785
Vanguard Growth Index Fund	97,768,192	98,639,920	2.32	2.41	5,349,931	32,538,524	6,221,659	1,812,565	3,577	4,187
Vanguard High Growth Index Fund	60,945,970	61,018,248	1.44	1.49	4,785,928	15,153,423	4,858,206	-	2,164	2,574

Notes to the financial statements (continued)

For the year ended 30 June 2015

15. Related parties (continued)

(e) Related Party investments (continued)

Investments by:	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Vanguard Australian Shares Index Fund			%	%					\$'000	\$'000
By other schemes managed by VIA:										
Vanguard Index Australian Shares Fund	238,447,193	235,268,216	5.43	6.08	19,305,634	17,843,622	16,126,657	15,713,890	20,012	20,086
Vanguard LifeStrategy Conservative Fund	1,407,853	723,479	0.03	0.02	759,390	234,241	75,016	216,714	86	59
Vanguard LifeStrategy Balanced Fund	6,572,974	4,744,244	0.15	0.12	2,350,347	1,304,843	521,617	896,584	483	378
Vanguard LifeStrategy Growth Fund	18,898,623	15,436,536	0.43	0.40	3,638,375	1,367,044	176,288	2,425,073	1,446	1,346
Vanguard LifeStrategy High Growth Fund	23,252,378	19,442,940	0.53	0.50	4,000,957	1,442,571	191,519	1,669,093	1,792	1,649
Vanguard Conservative Index Fund	97,853,031	69,553,021	2.23	1.80	31,867,019	17,894,859	3,567,009	12,593,657	7,229	5,591
Vanguard Balanced Index Fund	320,973,599	250,078,055	7.31	6.46	78,066,564	64,919,340	7,171,020	20,012,905	24,285	19,697
Vanguard Growth Index Fund	330,235,988	286,437,993	7.52	7.40	49,786,973	59,586,972	5,988,978	22,794,914	25,886	23,088
Vanguard High Growth Index Fund	212,423,134	181,645,367	4.84	4.69	39,236,988	26,996,936	8,459,221	15,311,701	16,309	14,984

Investments by:	Number of Units Held		Interest held at 30 June		Number of units acquired		Number of units disposed		Distributions paid/payable by the Funds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Vanguard Australian Shares High Yield Fund			%	%					\$'000	\$'000
By other schemes managed by VIA:										
Vanguard High Yield Australian Shares Fund	77,412,460	69,153,259	13.61	14.00	13,285,501	10,567,606	5,026,300	6,095,690	12,007	6,548

(f) Other transactions within the Funds.

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity has entered into a material contract with the Funds since the end of the previous financial year and there were no material contracts involving directors' interest subsisting at year end.

Notes to the financial statements (continued)

For the year ended 30 June 2015

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

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

	Vanguard Cash Reserve Fund		Vanguard Cash Plus Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	2015	2014	2015	2014	2015	2014	2015	2014	2015*	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	90	(157)	417	(722)	1,720	(78)	38,149	21,822	361	-
Distributions paid and payable	42,619	47,780	19,371	19,942	4,713	2,887	165,079	192,760	1,366	-
Proceeds from sale of financial instruments held at fair value through profit or loss	7,325,022	8,524,246	1,076,052	2,098,397	37,865	26,136	901,199	1,683,599	22,255	-
Purchases of financial instruments held at fair value through profit or loss	(6,509,529)	(8,191,024)	(1,148,372)	(1,917,205)	(217,890)	(17,637)	(1,336,776)	(1,400,189)	(75,156)	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	(45,330)	(50,244)	(22,009)	(21,367)	(6,826)	(2,956)	(212,850)	(223,520)	(1,846)	-
Net change in receivables	(5)	12	(1)	18	(11)	-	(93)	(14)	(48)	-
Net change in payables	1	(36)	19	(35)	40	(2)	308	(22)	14	-
Non-cash item (reinvestment of distribution income)	-	-	-	-	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	812,868	330,577	(74,523)	179,028	(180,389)	8,350	(444,984)	274,436	(53,054)	-

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares Index Fund		Vanguard Australian Shares High Yield Fund	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	3,236	6,017	488,144	132,625	67,358	921,172	(84,560)	96,589
Distributions paid and payable	2,764	3,176	167,421	188,099	391,273	354,148	122,128	63,242
Proceeds from sale of financial instruments held at fair value through profit or loss	29,938	308,958	265,950	596,404	178,128	1,621,209	989,036	450,037
Purchases of financial instruments held at fair value through profit or loss	(30,497)	(68,471)	(601,766)	(765,409)	(1,587,390)	(1,491,025)	(1,252,852)	(797,871)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(6,321)	(9,882)	(499,856)	(121,959)	(56,937)	(926,825)	33,031	(103,785)
Net change in receivables	(1)	10	22,344	(40,877)	(8,651)	(8,405)	(1,004)	(6,346)
Net change in payables	2	(57)	164	121	232	125	67	134
Non-cash item (reinvestment of distribution income)	-	-	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	(879)	239,751	(157,599)	(10,996)	(1,015,987)	470,399	(194,154)	(298,000)

*Vanguard Australian Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

Notes to the financial statements (continued)

For the year ended 30 June 2015

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

(b) Non-cash financing activities

	Vanguard Cash Reserve Index Fund		Vanguard Cash Plus Fund		Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Inflation- Linked Bond Index Fund	
	2015	2014	2015	2014	2015*	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	41,428	46,692	15,808	17,083	–	–	2,360	3,746
During the year, the following redemptions satisfied the issue of securities - Inspecies amount	–	–	–	–	–	–	–	–

*Vanguard Australia Corporate Fixed Interest Index Fund's inception date was 10 October 2014.

	Vanguard Australian Property Securities Index Fund				Vanguard Australian Shares Index Fund			
	2015		2014		2015		2014	
	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	72,850	794	60,700	339	244,489	5,205	226,795	3,333
During the year, the following redemptions satisfied the issue of securities - Inspecies amount	–	–	(243,997)	–	–	(32,138)	(1,192,609)	–

	Vanguard Australian Shares High Yield Fund				Vanguard Australian Government Bond Index Fund			
	2015		2014		2015		2014	
	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	15,909	2,693	8,971	798	164	69	231	38
During the year, the following redemptions satisfied the issue of securities - Inspecies amount	–	(49,361)	(42,716)	–	–	–	–	–

	Vanguard Australian Fixed Interest Index Fund			
	2015		2014	
	Ordinary Units	ETF Class Units	Ordinary Units	ETF Class Units
	\$'000	\$'000	\$'000	\$'000
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	101,753	234	113,456	58
During the year, the following redemptions satisfied the issue of securities - Inspecies amount	(89,651)	–	(369,540)	–

As described in note 2(h), non-distributable income is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

Notes to the financial statements (continued)

For the year ended 30 June 2015

17. Segment information

The Funds are organised into one main segment which operates solely in the business of investment management within Australia. Consequently, no segment reporting is provided in the Funds financial statements.

Geographical exposures

The Funds operate from Australia only (the geographical segment) and have no investment exposures in other countries.

18. 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 2015 or on the results and cash flows of the Funds for the year ended on that date.

Investors should be aware that markets and currencies can be volatile, therefore affecting the returns of an investment portfolio. You can obtain up to date fund performance and unit price information by visiting the Vanguard website at www.vanguard.com.au.

19. Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2015 and 30 June 2014 for the Funds.

Directors' Declaration

In the opinions of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 10 to 72 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 each Fund's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that each Fund will be able to pay its 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.



C Lui
Director
Melbourne
28 August 2015



Independent auditor's report to the unitholders of the Vanguard Wholesale Funds (Domestic Funds):

- Vanguard Cash Reserve Fund
- Vanguard Cash Plus Fund
- Vanguard Australian Government Bond Index Fund
- Vanguard Australian Fixed Interest Index Fund
- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Australian Property Securities Index Fund
- Vanguard Australian Shares Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard Australian Corporate Fixed Interest Index Fund

Report on the financial report

We have audited the accompanying financial report of the Vanguard Wholesale Funds (Domestic Funds) (the Funds), which comprises the balance sheets as at 30 June 2015, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of Vanguard Investments Australia Ltd (the responsible entity) 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 determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

PricewaterhouseCoopers, ABN 52 780 433 757

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

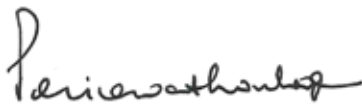
Independence

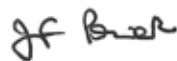
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of the Vanguard Wholesale Funds (Domestic Funds) is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' financial position as at 30 June 2015 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the Funds' financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).


PricewaterhouseCoopers



J F Power
Partner

Melbourne
28 August 2015

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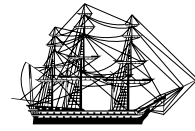
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