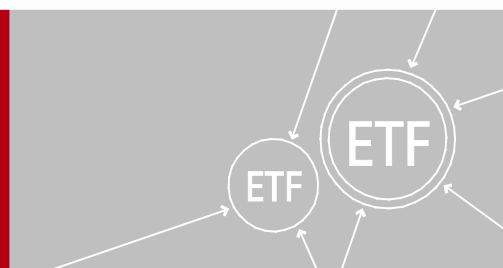




**Product Disclosure Statement
Announcement**
for the Vanguard® Exchange Traded Funds

7 March 2016



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard® Australian Fixed Interest Index ETF	VAF	Product Disclosure Statement
Vanguard® Australian Government Bond Index ETF	VGB	Product Disclosure Statement

Vanguard Investments Australia Ltd has lodged a Product Disclosure Statement (“PDS”) dated 7 March 2016 for the Vanguard Australian Fixed Interest Index ETF and Vanguard Australian Government Bond Index ETF, with the Australian Securities and Investments Commission (“ASIC”), a copy of which is attached.

Please note the new PDS supersedes the Vanguard Australian Government Bond Index ETF PDS dated 15 October 2012.

T+2 Settlement

The ASX has announced that the settlement of cash market equities, including ETF securities, will transition to a two business day settlement period (T+2) as of 7 March 2016. Secondary market investors should refer to their broker or the ASX for more information.

Accordingly, Vanguard Investments Australia Ltd has issued this PDS to reflect this change, and a number of other general updates.

Further Information

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

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Vanguard Investments Australia Ltd, Level 34, Freshwater Place, 2 Southbank Boulevard, Southbank VIC 3006 vanguard.com.au 1300 655 888



Vanguard®

Product Disclosure Statement 7 March 2016

Vanguard® Australian Fixed Interest ETFs

Vanguard® Australian Fixed Interest Index ETF (ASX code: VAF)

Vanguard® Australian Government Bond Index ETF (ASX code: VGB)

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Important notice

Authorised Participants

Please note that the offer in this Product Disclosure Statement ("PDS") is for entities who have entered into an Authorised Participant agreement with Vanguard. For that reason, certain sections of this PDS (particularly those relating to applications for and redemptions of ETF units) are of direct relevance to such persons only.

All other investors

Other investors cannot invest through this PDS directly, but can transact in the Vanguard Australian Fixed Interest ETFs through a stockbroker or financial adviser. Other investors can use this PDS for informational purposes only. For further details on Vanguard Exchange Traded Funds please contact a stockbroker or financial adviser or visit www.vanguard.com.au.

This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. For the avoidance of doubt, ETF units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

Vanguard ETF Capital Markets Team

8:30 am to 5:30 pm (Melbourne time)
Monday to Friday
Telephone: 1300 655 888
Facsimile: 1300 765 712
E-mail: etf@vanguard.com.au

ASX enquiries

Telephone 131 279 (within Australia)
Telephone +61 2 9338 0000 (outside Australia)

Registered office

Level 34, Freshwater Place
2 Southbank Boulevard
Southbank Vic 3006

Postal address

GPO Box 3006
Melbourne Vic 3001

Website

www.vanguard.com.au

Features at a glance

ETF names (ASX code)	Vanguard® Australian Fixed Interest Index ETF (VAF)	Vanguard® Australian Government Bond Index ETF (VGB)
Investment objective	Seeks to track the return of the Bloomberg AusBond Composite 0+ Year Index before taking into account fees, expenses and tax.	Seeks to track the return of the Bloomberg AusBond Government 0+ Year Index before taking into account fees, expenses and tax.
Management Costs ¹	0.20% p.a.	0.20% p.a.
Distributions	Quarterly: March, June, September and December	
Transacting with Vanguard ²	<p>Only Authorised Participants are eligible to apply for or redeem ETF units with Vanguard.</p> <p>Applications or redemptions by Authorised Participants may be made by way of Standard Baskets, Custom Baskets or Cash Transactions.</p> <p>Other investors cannot apply for or redeem ETF units with Vanguard and must instead buy or sell ETF units on the ASX through their adviser or broker.</p>	
Standard Basket Transactions	<p>A Standard Basket transaction is an in-specie transfer of the standard basket of securities together with any balancing cash payment requirements ("balancing cash payment").</p> <p>The basket consists of a number of fixed income securities within the relevant Index, but Vanguard may vary the number and composition of securities selected from time to time, together with any balancing cash payment. The application and redemption baskets may differ – for example the application basket may contain a different number of securities or different securities from the redemption basket.</p>	
Custom Basket Transactions	<p>Vanguard may, at its discretion, accept a Custom Basket for applications or redemptions (i.e. baskets that differ from the published Standard Basket). Vanguard may also request a Custom Basket for applications or redemptions.</p> <p>A Custom Basket may include an amount of cash in the place of securities. Custom Baskets containing an amount of cash in the place of securities (other than any balancing cash payment) are subject to a buy/sell spread.</p>	
Cash Transactions	An Authorised Participant can apply for or redeem ETF units in exchange for an equivalent value of cash. Cash Transactions are subject to a buy/sell spread.	
Creation Unit	Standard or Custom Baskets: 150,000 units Cash Transactions: 10,000 units	Standard or Custom Baskets: 100,000 units Cash Transactions: 10,000 units
Transaction Costs to apply for ETF units - Standard Basket & Custom Basket Transactions ¹	<p>\$550 (payable by Authorised Participants for Standard Basket and Custom Basket transactions).</p> <p>Vanguard reviews the Transaction Costs periodically and may change these without notice.</p>	<p>\$450 (payable by Authorised Participants for Standard Basket and Custom Basket transactions).</p> <p>Vanguard reviews the Transaction Costs periodically and may change these without notice.</p>
Buy/Sell spreads applicable to Authorised Participants	<p>Cash Transactions are subject to a buy/sell spread which will be reflected in the purchase/withdrawal price of ETF units.</p> <p>Buy/sell spreads will be notified to Authorised Participants electronically.</p> <p>Vanguard may change the spreads charged to Authorised Participants without notice.</p>	<p>Cash Transactions are subject to a buy/sell spread which will be reflected in the purchase/withdrawal price of ETF units.</p> <p>Buy/sell spreads will be notified to Authorised Participants electronically.</p> <p>Vanguard may change the spreads charged to Authorised Participants without notice.</p>
Buy/Sell spreads applicable to Custom Basket Transactions	Custom Baskets which contain an amount of cash in place of securities (other than a balancing cash payment) are subject to a buy/sell spread on the relevant cash portion. The buy/sell spread is communicated to Authorised Participants and depends on the amount of cash substituted for securities in the Custom Basket.	
Brokerage and bid/ask spreads	Investors buying or selling ETF units on the ASX may incur brokerage fees and commissions and may incur a bid/ask spread (being the difference between the price at which participants are willing	

applicable to other investors	to buy and sell ETF units on the ASX). Please consult a stockbroker for more information in relation to their fees and charges.
Cut-off times ²	Standard Basket transactions or Custom Basket transactions containing only fixed income securities (other than any balancing cash payment): Generally 4:00pm on each ASX trading day Custom Basket Transactions including an amount of cash in the place of securities: Generally 2:00pm on each ASX trading day Cash Applications: Generally 3:30pm on each ASX trading day Cash Redemptions: Generally 2:00pm on each ASX trading day
Pricing frequency	The NAV price per unit for the ETF is generally calculated daily, typically using values at the close of trading of the underlying securities. A purchase/withdrawal value is calculated for each issue or redemption of ETF units and takes into account the applicable buy/sell spread. ETF Market prices are typically quoted continuously through the trading day on the ASX.
Application/Redemption amounts	Applications and redemptions made by Authorised Participants must be in multiples of creation units with a minimum order size of one creation unit. Vanguard may, in its absolute discretion, limit the amount of a cash application that can be made by an Authorised Participant.
Settlement ³	For Authorised Participants: Applications and Redemptions settle T+2 For other investors: ETF units transacted via the ASX typically settle via CHESS on T+2 ³

¹ Please refer to the section '7. Fees and other costs' on pages 25 for more details.

² Earlier cut off time may apply. Please refer to the section '5. How to transact with Vanguard' on page 14.

³ Delivery may be delayed to accommodate public holiday schedules, non-settlement days, non-trading days or under certain other circumstances (refer to the section 'Important note for applications and redemptions' on page 22 for more information).

Disclaimers

Investment in the ETFs is subject to risk (refer to the section '4. Risks on page 16), which may include possible delays in repayment and loss of income and capital invested.

Vanguard or any of its related entities or associates may invest in, lend to or provide services to the ETFs. Vanguard may also invest in, lend to, or provide services to funds or accounts owned or managed by its related entities or clients who have appointed Vanguard as investment manager.

The allocation of aggregated investments amongst various funds and accounts will be conducted by Vanguard and its related entities in accordance with appropriate policies and procedures to manage any conflicts of interest.

None of The Vanguard Group, Inc., Vanguard Investments Australia Ltd, or their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income invested in, the ETFs described in this PDS. This PDS is prepared for general information only. It is not intended to be a recommendation by Vanguard, any of Vanguard's associates or any other person to invest in the ETFs. In preparing this PDS, Vanguard did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors need to consider (with or without the advice or assistance of an adviser) whether investment in an ETF is appropriate to their needs, objectives and circumstances.

Vanguard has sufficient working capital to enable it to operate the ETFs as outlined in this PDS

About this PDS

This Product Disclosure Statement ("PDS") dated 7 March 2016 is for the Vanguard Australian Fixed Interest Index ETF and the Vanguard Australian Government Bond Index ETF.

Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 ("Vanguard") is the issuer of this PDS and is solely responsible for its contents. In this PDS references to 'Vanguard', the 'responsible entity', 'we', 'our' and 'us' refer to Vanguard Investments Australia Ltd.

A copy of this PDS has been lodged with both the Australian Securities and Investments Commission ("ASIC") and the Australian Securities Exchange Ltd ("ASX"). Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

Obtaining the latest PDS

A copy of the latest PDS for the ETFs is available on Vanguard's website at www.vanguard.com.au. If you do not have access to the internet, please contact the Vanguard ETF Capital Markets Team on 1300 655 888. A paper copy will be provided free of charge on request.

Unless otherwise stated, data sources used by Vanguard are public or licensed market data, and all material is current as at the date of this PDS.

The offer to which this PDS relates is available to Authorised Participants (please refer to the section 'Summary of offer to Authorised Participants' on page 7) receiving the PDS (electronically or otherwise) in Australia.

Changes to information in this PDS that are not materially adverse to investors may be updated by Vanguard by publishing such information on the Vanguard website at www.vanguard.com.au (or in the case of information that is only applicable to Authorised Participants electronically). A paper copy of any updated information will be provided free of charge on request from the Vanguard ETF Capital Markets Team on 1300 655 888.

Unless otherwise stated in this PDS, references to provisions for the ETFs refer to the ETF classes of their respective Funds only. A reference to 'Fund' or 'Funds' in this PDS, is a reference to the Vanguard Australian Fixed Interest Index Fund and/or the Vanguard Australian Government Bond Index Fund (as the context requires).

Information available from Vanguard

Vanguard is subject to regular reporting and disclosure obligations in its capacity as responsible entity of the Funds and issuer of the ETFs.

The following information can be obtained from Vanguard by visiting Vanguard's website at www.vanguard.com.au or contacting the Vanguard ETF Capital Markets Team on 1300 655 888:

- details of the Net Asset Value ("NAV") for the ETFs - available monthly
- details of the NAV price per unit for the ETFs - available daily
- Creation and Redemption Basket - available daily
- Vanguard's unit pricing discretions policy (available upon request by contacting the Vanguard ETF Capital Markets Team and available at no cost)
- the latest copy of this PDS
- details of any continuous disclosure notices given by Vanguard to ASIC and/or the ASX
- details of distribution announcements given by Vanguard to the ASX via the ASX Market Announcements Platform ("ASX MAP")
- annual reports and financial statements for the Fund
- half-yearly financial reports that are given by Vanguard to the ASX via ASX MAP
- total number of ETF securities on issue – monthly to the ASX via MAP
- details of the ETFs Distribution Reinvestment Plan
- information about distributions for the ETFs

Classes of units

The ETFs referred to in this PDS are a separate class of units in a corresponding Fund.

- The Vanguard Australian Fixed Interest Index ETF is a separate class of units in the Vanguard Australian Fixed Interest Index Fund ARSN 090 939 941
- The Vanguard Australian Government Bond Index ETF is a separate class of units in the Vanguard Australian Government Bond Index Fund ARSN 134 177 807

As such it is only the ETF class of each Fund that is quoted under the AQUA rules of the ASX (refer to the section 'Quotation under the AQUA Rules of the ASX' on page 10 for further details). This PDS relates only to the ETF class of units in each Fund.

Under the constitution of the Funds, Vanguard is permitted to establish different classes of units and may create additional classes of units in the Funds in the future.

1. Key features of the ETF offer

Who is Vanguard?

Vanguard Investments Australia Ltd ("Vanguard") is a wholly owned subsidiary of The Vanguard Group, Inc. With more than AUD \$4.5 trillion in assets under management as of 31 December 2015, including over AUD \$650 billion in ETFs, The Vanguard Group, Inc. (including its subsidiaries) is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for 20 years.

What is an exchange traded fund?

An Australian exchange traded fund is a type of managed fund whose units are generally quoted for trading under the AQUA Rules of the ASX. Generally, exchange traded funds provide exposure to a broadly diversified investment portfolio of either shares, bonds or real estate securities and are constructed using an indexed investment methodology.

Exchange traded funds combine key advantages of index managed funds and listed shares in one investment. They are typically index funds as we know them, so they generally come with the benefits of low costs, broad diversification, transparency, and tax efficiency (as a result of low turnover in the fund's assets), when compared with most actively managed funds. You should refer to the relevant Product Disclosure Statement to assess the benefits of any particular exchange traded fund.

However, unlike traditional index funds, exchange traded funds trade on a stock exchange so they also benefit from simple trading and intra-day pricing. Exchange traded funds carry certain risks (refer to the section '4. Risks' on page 16). Investors (other than Authorised Participants) may incur brokerage fees, commissions and a bid/ask spread (being the difference between the price at which participants are willing to buy and sell ETF units on the ASX) when buying and selling ETF units on the ASX.

An indexing approach is used by the Vanguard Australian Fixed Interest Index ETF and the Vanguard Australian Government Bond Index ETF. As a result the ETFs has lower turnover which generally means that fewer tax events occur within the Fund when compared to a fund with higher relative turnover.

Summary of offer to Authorised Participants

The ETF offer	The Vanguard Australian Fixed Interest Index ETF is a class of units in the Vanguard Australian Fixed Interest Index Fund.
	The Vanguard Government Bond Index ETF is a class of units in the Vanguard Australian Government Bond Index Fund.
Who is this offer to?	The offer in this PDS is only available to Authorised Participants – that is, entities who have entered into an Authorised Participant Agreement with Vanguard - referred to in this PDS as Authorised Participants.
	Other investors cannot apply for or redeem units with Vanguard and must instead purchase units on the ASX.
	The offer is not available to US Persons as defined under Regulation S of US federal securities laws.
Secondary market	At the time of lodgement of this PDS with ASIC (being the date of this PDS), the ETF units have been admitted to Trading Status on the ASX and the ETF units are able to be traded on the market in the same way as other securities traded on the ASX (refer to the section 'Quotation under the AQUA Rules of the ASX' on page 10 for further details).
Applications*	ETF units can only be applied for in multiples of units that represent creation unit amounts.
	Application amounts may be in the form of a Standard Basket Application, Custom Basket Application or Cash Application (as selected by an Authorised Participant in their application request).
	Cash Applications are made with an amount of cash equal to the value of the ETF units being created determined by reference to the NAV price of the ETF class applicable to the transaction plus the buy spread.
	For Standard Basket Applications, an Authorised Participant can apply for the ETF units by transferring to Vanguard a parcel of fixed income securities selected by Vanguard, together with any balancing cash payments.
	For Custom Basket Applications, an Authorised Participant can apply for the ETF units by transferring to Vanguard a modified parcel of fixed income securities together with any balancing cash payments required. A Custom Application Basket will be negotiated and accepted at Vanguard's discretion.
Redemptions*	The ETF units are transferred through CHESS. Fixed income securities are transferred through the Austraclear Limited Clearing and Settlement Facility (Austraclear) or other applicable settlement facility.
	ETF units can only be redeemed in multiples of units that represent creation unit amounts.
	The amount payable to an Authorised Participant on redemption, (the withdrawal amount) may be paid by way of a Standard Basket Redemption, Custom Basket Redemption or Cash Redemption (as

selected by the Authorised Participant in their redemption request). A Cash Redemption is made by an amount of cash equal to the value of the ETF units being redeemed determined by reference to the NAV price of the ETF class applicable to the transaction minus the sell spread.

A Standard Basket for redemptions is a parcel of fixed income securities determined by Vanguard, together with any balancing cash payment required.

A Custom Basket for redemptions is a modified parcel of fixed income securities together with any balancing cash payment required. A Custom Redemption Basket will be negotiated and accepted at Vanguard's discretion.

ETF investors can only redeem ETF units if they are an Authorised Participant who is also an Australian resident for tax purposes under the constitution for the Fund. ETF units redeemed will be settled through CHESS. Fixed income securities are transferred through Austraclear or other applicable settlement facility.

The withdrawal amount provided to an Authorised Participant on the redemption of ETF units may also include a distribution of the income of the Fund. Refer to the sections '6. Distributions' and '9. Taxation of ETF units' of this PDS for further information regarding how this distribution is determined.

Distributions

Distributions are generally calculated quarterly at 31 March, 30 June, 30 September and 31 December each year or at such other times as determined by Vanguard.

Unitholders who hold ETF units on the relevant distribution entitlement date may be entitled to receive a distribution in respect of the relevant distribution period, where the Fund has income available for distribution.

The withdrawal amount paid to an ETF investor on the redemption of ETF units may also include a distribution of the income of the Fund, if the Fund has income available for distribution in that manner as determined under the terms of the Constitution.

Refer to the sections '6. Distributions' and '9. Taxation of ETF units' of this PDS for further information regarding how this distribution is determined.

* Please refer to the section 'Buy/sell spread costs' on page 28 regarding the buy and sell spreads.

2. Role of certain entities in regard to the Vanguard ETF

There are a number of parties involved in the ongoing administration and quotation of the ETF as detailed in the following:

Investment Manager/ Responsible Entity	Vanguard is the responsible entity of the Fund and is responsible for the ongoing management of the assets of the Fund.	Vanguard Investments Australia Ltd Level 34, Freshwater Place 2 Southbank Boulevard Southbank Vic 3006
Custodian	The custodian is the holder of the assets on behalf of the responsible entity.	JPMorgan Chase Bank N.A. (Sydney branch) Level 18 85 Castlereagh Street Sydney NSW 2000
Registrar	The role of the registrar is to keep a record of the investors in the ETF. This includes details such as the quantity of the securities held, tax file numbers (if provided) and details of distribution reinvestment plan participation (where this is offered).	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford Vic 3067

Refer to section '10. Other information you need to know' page 32 for more details on the responsible entity and custodian.

Market maker

The AQUA Rules contain certain market making requirements. A market maker's role is to satisfy supply and demand for ETF units. They do this by fulfilling two key functions:

- Providing liquidity to the market by providing continuous bid and ask prices and acting as buyer and seller of ETF units throughout the day; and
- Applying for and redeeming ETF units, where necessary, to meet supply and demand.

Market makers seek to provide continuous liquidity to the market. The market maker uses information such as the Pricing Basket and NAV prices to determine the price of ETF units and places a bid/ask spread around this value before sending these prices to the stock exchange as bid and ask orders. The orders are published to the market, and investors can either 'hit' orders to trade with the market maker or send their own orders to the exchange and wait for someone else to 'hit' them. Market maker orders are updated continuously throughout the day to reflect price changes in the underlying securities.

The market maker(s) that Vanguard has appointed for the ETFs have been selected on the basis of their experience in trading and market making in both Australia and international markets. Most importantly, the firm(s) selected by Vanguard currently make markets on the ASX in existing Australian quoted ETF products and may have agreements with the ASX which provide

certain financial incentives for the market maker to operate in this capacity. The market makers selected (or their offshore affiliates) may also have global experience in trading exchange traded fund securities in other markets. Vanguard may change the lead market maker or appoint additional market makers.

Material contracts

Vanguard, or The Vanguard Group, Inc., has entered into a number of contracts in relation to the offer of the ETF as follows:

Bloomberg	Index Licence Agreement. The licence allows the use of certain indices in the operation of the ETFs.
JPMorgan Chase Bank N.A. (Sydney branch)	Custodian Agreement which sets out the services provided by the custodian on an ongoing basis.
Computershare Investor Services Pty Ltd	Registry Services Agreement which sets out the services provided by the share registrar on an ongoing basis.

Quotation under the AQUA Rules of the ASX

The AQUA market service aims to provide managed funds, exchange traded funds and structured products with a more tailored framework for the quoting of these products on the ASX market and access to back office clearing and settlement facilities offered by the ASX.

The key distinction between products admitted under the ASX Listing Rules and those quoted under the ASX AQUA Rules is the level of influence that the issuer has over the underlying instrument. See table below for the main differences between the ASX Listing Rules and the ASX AQUA Rules:

ASX Listing Rules	ASX AQUA Rules
<p>The equity issuer:</p> <ul style="list-style-type: none"> Controls the value of its own securities and the business it runs, and The value of those securities is directly influenced by the equity issuer's performance and conduct. <p>For example, a company's management and Board generally control the company's business and, therefore, have direct influence over the company's share price.</p>	<p>The product issuer:</p> <ul style="list-style-type: none"> Does not control the value of the assets underlying its products; but Offers products that give investors exposure to the underlying assets - such as shares, indices, currencies or commodities. <p>The value (or price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself.</p> <p>For example, a managed fund issuer does not control the value of the shares it invests in.</p>

Source: ASX Rules Framework (2011)

The following information highlights the key differences between the effect of listing under the ASX Listing Rules and quotation under the AQUA Rules.

Information	ASX Listing Rules	ASX AQUA Rules
Continuous disclosure	<ul style="list-style-type: none"> Products under the Listing Rules are subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act 2001</i> (<i>Corporations Act</i>). 	<ul style="list-style-type: none"> Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i>. There is a requirement under the AQUA Rules that an issuer of a product quoted under the AQUA Rules provide the ASX with any information that the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products. <p>What obligations apply under the AQUA Rules?</p> <ul style="list-style-type: none"> There is an obligation on issuers of ETFs to disclose information about the NAV of the ETFs daily via either the Market Announcements Platform ("MAP") or issuer's website (as specified in the ETF's Product Disclosure Statement). Issuers of ETFs must also disclose information about dividends, distributions and other disbursements to the ASX via "MAP". Any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed to the ASX via MAP at the same time it is disclosed to ASIC.
Periodic disclosure	<ul style="list-style-type: none"> Products under the Listing Rules are required to disclose half yearly and annual financial information or annual reports under Chapter 4 of the Listing Rules. 	<ul style="list-style-type: none"> Responsible entities of AQUA Products that are ETFs are still required to lodge with ASIC financial reports under Chapter 2M of the <i>Corporations Act</i>. Under the AQUA Rules, the Responsible Entity must disclose these financial reports to the ASX at the same time as lodgement with ASIC. Issuers of ETFs must disclose the total number of ETF Securities on issue via MAP within 5 business days of the end of each month.
Corporate control	<ul style="list-style-type: none"> Requirements in the <i>Corporations Act</i> and the Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and listed schemes. 	<ul style="list-style-type: none"> Certain requirements in the <i>Corporations Act</i> and the Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules. Issuers of products quoted under the AQUA Rules are subject to the general requirement to provide the ASX with any information concerning itself the non-disclosure of which may lead to the establishment of a false market or materially affect the price of its products.
Related party transactions	<ul style="list-style-type: none"> Chapter 10 of the Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions. 	<ul style="list-style-type: none"> Chapter 10 of the Listing Rules does not apply to AQUA Products. ETFs that are registered managed investment schemes are subject to Chapter 2E and Part 5C.7 of the <i>Corporations Act</i>.
Auditor rotation obligations	<ul style="list-style-type: none"> There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i>. 	<ul style="list-style-type: none"> Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the <i>Corporations Act</i>. Responsible entities of registered Managed Investment Schemes will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme's financial statements (though they may be from the same firm).
Product disclosure	<ul style="list-style-type: none"> Entities admitted under the Listing Rules are subject to the requirements of the <i>Corporations Act</i> in relation to the issue of a PDS or prospectus. Information on the risks associated with 	<ul style="list-style-type: none"> Products quoted under the AQUA Rules will also be subject to these requirements of the <i>Corporations Act</i>. Investors should read the PDS or prospectus carefully before investing in an AQUA Product to fully understand the risks involved in investing in these types of

an investment in a product is expected to be included. products.

Source: ASX Rules Framework (2011) and ASX Operating Rules.

3. About the ETFs

Vanguard Australian Fixed Interest Index ETF

Vanguard ETF	Vanguard Australian Fixed Interest Index ETF (ASX Code: VAF)
Underlying index	■ Bloomberg AusBond Composite 0+ Year Index.
Investment objective	■ Seeks to track the return of the Bloomberg AusBond Composite 0+ Year Index before taking into account fees, expenses and tax.
Management Costs*	■ 0.20% p.a.

* Please refer to the section '7. Fees and other costs' on page 18 for further information.

Investment strategy

The Fund seeks to track the return of the Bloomberg AusBond Composite 0+ Year Index before taking into account fees, expenses and tax. The Bloomberg AusBond Composite 0+ Year Index is a market value-weighted index of approximately 500 securities (bonds) issued by the Australian Government, Government related and corporate fixed income securities. The Bloomberg AusBond Composite 0+ Year Index was not created by, and is not managed by, a related body corporate of Vanguard.

Bond indices change far more quickly than share indices because bonds have a finite life (maturity). Index eligibility criteria such as time to maturity and investment grading may cause bonds to enter or fall out of the index at month end when the index is rebalanced. Every time a security is either added to or removed from the index, its composition changes and may require Vanguard to modify the portfolio.

The Fund aims to hold all of the securities in the index, where practical, or otherwise a representative sample of the securities included in the index. Vanguard selects the securities it holds based on liquidity, access to markets, portfolio cash-flow and minimum trade quantities with the aim of tracking the return of the index. Security weightings in the Fund may vary from the index weightings. The Fund may exclude certain securities that are included in the index or may invest in securities that have been or are expected to be included in the index.

Futures traded on a licensed exchange may be used in the Fund to gain market exposure without investing directly in securities. This allows Vanguard to maintain the Funds' liquidity without being under-invested. The Fund may utilise over-the-counter derivatives generally to manage the overall interest rate and credit risk exposure of the portfolio.

The use of over-the-counter derivatives will not be used to a material extent – that is, use will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances.

Importantly, Derivatives will not be used for speculative purposes or to leverage the assets of the Fund.

In accordance with the index methodology, at the time of purchase the eligible fixed income securities in the Fund must be of an investment grade credit quality¹, which is determined by reference to ratings published by independent credit research firms. Please refer to the 'Risks' section on page 16 for more information about the impact of credit ratings and their limitations.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Fund may maintain a variable balance of cash. To effectively manage this cash, the Fund may transact in cash equivalent instruments that aim to preserve capital and provide liquidity to the Fund.

Cash equivalent instruments include, but are not limited to, high quality short-term money market instruments and short dated debt securities such as government issued securities, government-related (semi-government) issued securities and repurchase agreements, where a high quality government or government related security is received or provided as collateral for the term of the agreement.

Performance

Monthly performance information for the ETFs and historical performance relative to the Index will be published on Vanguard's website at www.vanguard.com.au. Neither the return of capital nor the performance of the ETFs is guaranteed. Past performance is not an indication of future returns.

¹ Investment grade securities are those fixed income securities rated BBB or higher (i.e. BBB, A, AA, or AAA) by a credit rating agency. Securities with an investment grade rating are generally likely to have a high probability of payment of interest and repayment of capital. Please refer to the section 'Risks' on page 16 for further information about the limitations of credit ratings.

The market price of the ETF units on the secondary market will also vary from the NAV price of the ETF units. There can be a number of factors influencing the current market price and causing it to differ from the NAV price including the price movement of the securities in the index used by the ETF, investor demand for the ETF and the spread between the bid price (price at which participants are willing to buy) and the ask price (price at which participants are willing to sell).

Changes to investment objective and strategy

Vanguard may, from time to time, vary the investment objective and/or strategy of the Fund. Such variations may include changes to the target index chosen for the Fund. Vanguard will notify investors of any such changes.

Environmental, social and ethical considerations

Vanguard does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

Index information

The Bloomberg AusBond Composite 0+ Yr Index is a market value weighted index of approximately 500 securities (bonds) issued by the Commonwealth Government of Australia, State Government authorities and treasury corporations as well as investment-grade corporate issuers.

Securities are included in the index based on issue size and amount outstanding and security type. New market inclusion is reviewed on an annual basis through the Bloomberg index governance process. To be included, debt securities must be investment grade and sufficiently tradable.

All Bloomberg Indices are governed by an internal Index Oversight Committee (IOC) in accordance with the Principles for Financial Benchmarks as published by the International Organisation of Securities Commissions (IOSCO) Bloomberg has committed to operating in accordance with IOSCO Principles.

The Bloomberg AusBond Composite 0+ Yr Index is part of the Bloomberg AusBond Index Family. For information on the governance of the index family and its alignment with the Principles for Financial Benchmarks as published by the IOSCO, please refer to Bloomberg's statement of its alignment with the IOSCO Principles available at <http://www.bloombergindices.com/content/uploads/sites/2/2016/02/Clickwrap-Agreement-with-Form-01-05-16.pdf>.

Source: Bloomberg

For further information regarding the benchmark methodology, please refer to the Bloomberg website at <http://www.bloombergindexes.com/fixed-income/ausbond/>

Vanguard Government Bond Index ETF

Vanguard ETF	Vanguard Government Bond Index ETF (ASX Code: VGB)
Underlying index	■ Bloomberg AusBond Government 0+ Index.
Investment objective	■ Seeks to track the return of the Bloomberg AusBond Government 0+ Index before taking into account fees, expenses and tax.
Management Costs*	■ 0.20% p.a.

* Please refer to the section '7. Fees and other costs' on page 18 for further information.

Investment strategy

The Fund seeks to track the return of the Bloomberg AusBond Government 0+ Index before taking into account fees, expenses and tax. The Bloomberg AusBond Government 0+ Index is a market value weighted index of approximately 90 securities (bonds) issued by the Commonwealth Government of Australia and Australian State Government financing authorities and treasury corporations. The Bloomberg AusBond Government 0+ Index was not created by, and is not managed by, a related body corporate of Vanguard.

Bond indices change far more quickly than share indices because bonds have a finite life (maturity). Index eligibility criteria such as time to maturity and investment grading may cause bonds to enter or fall out of the index at month end when the index is rebalanced. Every time a security is either added to or removed from the index, its composition changes and may require Vanguard to modify the portfolio.

The Fund aims to hold all of the securities in the index, where practical, or otherwise a representative sample of the securities included in the index. Vanguard selects the securities it holds based on liquidity, access to markets, portfolio cash-flow and minimum trade quantities with the aim of tracking the return of the index. Security weightings in the Fund may vary from the index weightings. The Fund may exclude certain securities that are included in the index or may invest in securities that have been or are expected to be included in the index.

Futures traded on a licensed exchange may be used in the Fund to gain market exposure without investing directly in securities. This allows Vanguard to maintain the Funds' liquidity without being under-invested. The Fund may utilise over-the-counter derivatives generally to manage the overall interest rate and credit risk exposure of the portfolio.

The use of over-the-counter derivatives will not be used to a material extent – that is, use will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. Importantly, Derivatives will not be used for speculative purposes or to leverage the assets of the Fund.

In accordance with the index methodology, at the time of purchase the eligible fixed income securities in the Fund must be of an investment grade credit quality² which is determined by reference to ratings published by independent credit research firms. Please refer to the 'Risks' section on page 16 for more information about the impact of credit ratings and their limitations.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Fund may maintain a variable balance of cash. To effectively manage this cash, the Fund may transact in cash equivalent instruments that aim to preserve capital and provide liquidity to the Fund.

Cash equivalent instruments include, but are not limited to, high quality short-term money market instruments and short dated debt securities such as government issued securities, government-related (semi-government) issued securities and repurchase agreements, where a high quality government or government related security is received or provided as collateral for the term of the agreement.

Performance

Monthly performance information for the ETF and historical performance relative to the Index will be published on Vanguard's website at www.vanguard.com.au. Neither the return of capital nor the performance of the ETF is guaranteed. Past performance is not an indication of future returns.

The market price of the ETF units on the secondary market will also vary from the NAV price of the ETF units. There can be a number of factors influencing the current market price and causing it to differ from the NAV price including the price movement of the securities in the index used by the ETF, investor demand for the ETF and the spread between the bid price (price at which participants are willing to buy) and the ask price (price at which participants are willing to sell).

Changes to investment objective and strategy

Vanguard may, from time to time, vary the investment objective and/or strategy of the Fund. Such variations may include changes to the target index chosen for the Fund. Vanguard will notify investors of any such changes.

Environmental, social and ethical considerations

Vanguard does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

Index information

The Bloomberg AusBond Govt 0+ Yr Index is a market value-weighted index of approximately 90 securities (bonds) issued by the Commonwealth Government of Australia and Australian State Government authorities and treasury corporations.

Securities are included in the index based on issue size and amount outstanding and security type. New market inclusion is reviewed on an annual basis through the Bloomberg index governance process. To be included, debt securities must be investment grade and sufficiently tradable.

All Bloomberg Indices are governed by an internal Index Oversight Committee (IOC) in accordance with the Principles for Financial Benchmarks as published by the International Organisation of Securities Commissions (IOSCO) Bloomberg has committed to operating in accordance with IOSCO Principles.

The Bloomberg AusBond Govt 0+ Yr Index is part of the Bloomberg AusBond Index Family. For information on the governance of the index family and its alignment with the Principles for Financial Benchmarks as published by the IOSCO, please refer to Bloomberg's statement of its alignment with the IOSCO Principles available at

<http://www.bloombergindices.com/content/uploads/sites/2/2016/02/Clickwrap-Agreement-with-Form-01-05-16.pdf>.

Source: Bloomberg

For further information regarding the benchmark methodology, please refer to the Bloomberg website at <http://www.bloombergindexes.com/fixed-income/ausbond/>

² Investment grade securities are those fixed income securities rated BBB or higher (i.e. BBB, A, AA, or AAA) by a credit rating agency. Securities with an investment grade rating are generally likely to have a high probability of payment of interest and repayment of capital. Please refer to the section 'Risks' on page 16 for further information about the limitations of credit ratings.

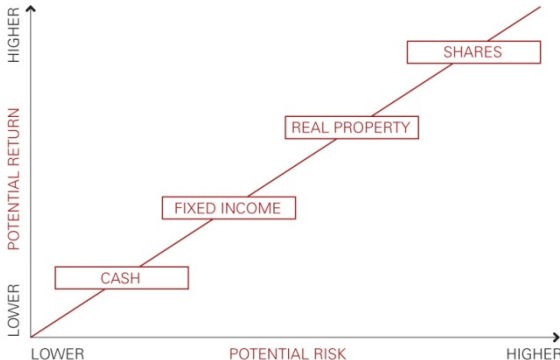
4. Risks

Investors in the ETFs face a number of investment risks. It is important to keep in mind one of the main principles of investing: the higher the potential reward, the higher the risk of losing money. The reverse is also generally true: the lower the risk, the lower the potential reward. An investment in the ETF could lose money over short or even long periods.

The price of the ETFs can fluctuate within a wide range, like fluctuations of the overall financial markets.

When considering an investment in the ETFs, personal tolerance for fluctuating market values should be taken into account. An investment in the ETFs is subject to investment risk including possible delays in repayment and loss of income or principal invested. Neither Vanguard nor its associates guarantee the performance of the ETFs, the repayment of capital from the ETFs or any particular rate of return.

The following table outlines the risks that can affect the performance of the ETFs.

Type of risk	Description
Market risk	<p>Market risk is the possibility that the market has negative returns over short or even extended periods. Cash investments have the lowest market risk. Bonds and equities (including property securities) have increasing levels of market risk. Short-term market risks are high to very high for most asset classes (including international securities). Below is a graphical representation of the risk/return relationship associated with various asset classes.</p>  <p>In any asset sector, the returns of individual securities are a combination of the market return and returns specific to each security. The prices of securities can rise and fall for a variety of political, economic and other reasons. You may not get back what you invested. By diversifying their holdings across a market, index funds are generally well protected from the specific risk of individual securities.</p> <p>From time to time the number of securities in a given index may change due to factors such as index rebalancing and this may lead to a change in the diversification of the portfolio. Investors should be aware that markets and currencies can be volatile and affect the returns of an investment portfolio.</p>
Credit Risk	<p>There is credit risk associated with fixed income securities. The issuer of fixed income or debt securities may fail to pay interest and principal in a timely manner (or at all) or negative perceptions of the issuer's ability to make such payments may cause the price, and therefore value, of those securities to decline.</p>
Interest Rate Risk	<p>The value of fixed income securities may fluctuate as a result of changes in market interest rates. Generally, fixed income security values may fall when market interest rates rise. Conversely, when market interest rates fall, fixed income security values may rise. The degree of change varies depending on the term of the securities. Longer term securities are generally more impacted by interest rate risk than short term securities.</p>
Derivative risk	<p>The primary risks associated with the use of derivative contracts are:</p> <ul style="list-style-type: none">▪ the values of the derivative failing to move in line with the underlying asset (a performance difference);▪ the potential lack of liquidity of the derivative;▪ the Fund may not be able to meet payment obligations under the derivative contracts as they arise; and▪ the counterparty to the derivative contract may not meet its obligations under the contract. <p>The risk of a performance difference is minimised by investing in derivative contracts where the behaviour is expected to resemble the key risk/return characteristics of the Fund's underlying securities. The risk that the Fund may not be able to close out a derivatives position is minimised by entering into such transactions on an exchange with an active and liquid secondary market, or with counterparties that are able to provide a minimum level of liquidity for any transactions in the over-the-counter market.</p> <p>The Fund does not use derivative contracts for speculative purposes or to leverage the assets of the Fund.</p>
Regulatory and tax	<p>This is the risk that a government or regulator may introduce regulatory and tax changes, or a court</p>

risk	<p>makes a decision regarding the interpretation of the law that affect the value of securities in which the Fund invests, the value of the ETF units or the tax treatment of a Fund and its investors. The Fund may not be able to trade certain securities in the index at any particular time due to the restrictions on trading securities in that jurisdiction or restrictions in other jurisdictions such as sanctions.</p> <p>A Fund or ETF class may be affected by changes to legislation or government policy both in Australia and in other countries.</p>
Index tracking risk	<p>Vanguard employs an indexing investment strategy for the Fund. Compared to active managers who employ an active investment strategy, indexing significantly lowers the risk of short-term underperformance relative to the target index. However, a Fund may fail to meet its objectives as a result of:</p> <ul style="list-style-type: none"> ▪ Vanguard's selection of securities for the Fund; ▪ implementation of processes which may cause the Fund to underperform its benchmark; and ▪ the costs of managing the portfolios that are not measured by the index. <p>Vanguard's investment approach seeks to mitigate this risk.</p>
Fund risk	<p>Investing in a managed investment scheme carries with it the risks of that investment vehicle including:</p> <ul style="list-style-type: none"> ▪ the securities in the index for a Fund may change due to changes in the country, industry or the relevant sector; ▪ the fees and costs for a Fund could change (refer to the section 'Maximum fees set out in the constitution' on page 20 for information about the limits on changes to fees and costs and 'Buy/sell spread costs' on page 20 for further information about variations to buy/sell spreads); ▪ the Fund(s) may give different results than investing directly in the underlying securities yourself because of the tax consequences of the income and/or capital gains accrued in the Fund(s); ▪ Vanguard could be replaced as the responsible entity and/or investment manager for the Fund(s); or ▪ the Fund(s) could terminate.
Operational risk	<p>ETFs are subject to a number of operational risks including in relation to the administration and reporting of the Funds and the possibility that errors are made in the provision of services to the Funds.</p> <p>The failure of a service provider to adequately administer or report accurately in relation to the Funds or its investments may adversely impact the operations or performance of the Funds.</p> <p>There is a risk that circumstances beyond Vanguard's reasonable control could prevent Vanguard from managing the Funds in accordance with its investment strategy and as otherwise contemplated by this PDS. Examples of these circumstances include strikes, industrial disputes, fires or other catastrophe, war, civil disturbance, terrorist acts, governmental pre-emption in connection with a state of emergency and epidemics (including potential epidemics). By investing in the Fund(s) you agree that Vanguard is not liable if Vanguard is prevented from managing the Fund(s) by circumstances beyond its reasonable control.</p>
Trading risk	<p>In certain exceptional circumstances such as market disruptions, the ASX may suspend the trading of ETF units and therefore investors will not be able to buy or sell ETF units on the ASX. Where the Fund(s) has been suspended from trading, but remains liquid, Vanguard will use its best endeavours to take all reasonable steps within its control to seek to have the ETF(s) recommence trading as soon as possible. In these circumstances, Vanguard may suspend the application and redemption process for Authorised Participants. If applications and redemptions are suspended, Vanguard will make an announcement on the ASX Market Announcements Platform.</p> <p>The ASX also imposes certain requirements for ETF units to continue to be quoted. Vanguard will endeavour to meet these requirements at all times to ensure the ETF units remain quoted. There can be no assurances that there will always be a liquid market for securities traded on the ASX. Vanguard has obligations to have market making arrangements in place under certain circumstances under the AQUA Rules. Vanguard has appointed a market maker to assist in maintaining liquidity for the ETF on the ASX.</p> <p>The purchase price and withdrawal amount applicable to ETF units may from time to time differ from the trading price of ETF units on the ASX. The trading price is dependent on a number of factors including the demand and supply of units, investor confidence and how closely the value of the assets of the ETF tracks the performance of the index.</p> <p>If you buy or sell ETF units on the secondary market, you will pay or receive the trading price, which may be higher or lower than the NAV price.</p>
Counterparty risk	<p>The risk that the Fund may incur a loss due to the failure of a counterparty to meet their obligations under a contract. The Fund's counterparty may include brokers, clearing houses and other agents.</p>
Spread risk	<p>Cash Transactions are subject to variations in the applicable buy/sell spread. The buy/sell spread can be varied at Vanguard's discretion depending on, for example, market liquidity conditions or the total amount of cash received in applications or redemptions for units on any particular day.</p>

5. How to transact with Vanguard

An Authorised Participant may apply for and/or redeem a number of units in the ETFs by completing the ETF Application/Redemption Form either in the form attached to this PDS or through Vanguard's online portal ("ETF Applications/Redemptions"). ETF Applications/Redemptions must be in multiples of the creation unit for the ETF.

Prior to transacting with Vanguard, an Authorised Participant must also enter into an Authorised Participant agreement with Vanguard and if access is requested, agree to additional terms and conditions to use the Vanguard online portal. Please contact the Vanguard ETF Capital Markets Team on 1300 655 888 for more information.

Authorised Participants may apply for ETF units and/or redeem ETF units:

- using the published application/redemption basket for the relevant ETF ("Standard Basket"); or
- negotiating a custom basket of fixed income securities and balancing cash payment accepted at Vanguard's discretion for the relevant ETF ("Custom Basket") please refer to the section 'Custom Baskets' on page 21; or
- for an amount of cash ("Cash Transactions"). For more information regarding Cash Transactions please refer to the section 'Cash Transactions' on page 21

Investors who are not Authorised Participants cannot apply for ETF units with Vanguard through this PDS, but may purchase ETF units on the ASX. Investors who are not Authorised Participants cannot redeem ETF units with Vanguard, but may seek to sell ETF units on the ASX through their broker or adviser.

Standard and Custom Baskets consist of two components:

- an application/withdrawal securities component; and
- a cash component, being the balancing cash payment.

These components are described later in this section.

Cash Transactions consist only of a cash amount equal to the application amount or withdrawal value as appropriate, plus or minus a spread. For more information regarding Cash Transactions please refer to page 21.

Minimum applications and redemptions

The following table details the minimum number of ETF units for applications and redemptions:

Vanguard ETF	Minimum application/redemption size - Standard/Custom Basket (Creation Unit)
Vanguard Australian Fixed Interest Index ETF ASX Code: VAF	150,000 units
Vanguard Government Bond Index ETF ASX Code: VGB	100,000 units

Vanguard ETF	Minimum application/redemption size – Cash Transaction (Creation Unit)
Vanguard Australian Fixed Interest Index ETF ASX Code: VAF	10,000 units
Vanguard Government Bond Index ETF ASX Code: VGB	10,000 units

Standard Basket applications/redemptions

ETF Applications/Redemptions indicating a Standard Basket and received from Authorised Participants before the order cut-off time on an ASX trading day are processed at the next determined purchase or withdrawal price for the ETF.

The order cut-off time for Standard Basket applications or redemptions is normally 4:00pm on each ASX trading day. An earlier cut-off will apply when the ASX market closes earlier than 4:00pm. In this instance the order cut-off time will be the closure time of the ASX.

ETF Applications/Redemptions received after the order cut-off time on an ASX trading day or on a non-ASX trading day are, if accepted treated as being received prior to the cut-off time on the next ASX trading day. Please refer to the section 'Valuations and pricing' on page 16 for more details.

For Standard Basket applications, the Authorised Participant must deliver to Vanguard the basket components applicable to the Standard Application Basket for the ETF together with any cash balancing payment. The Authorised Participant, in return, will receive the equivalent value of ETF units. The Authorised Participant and the Issuer must also deliver cash amounts required to settle the securities transactions on a delivery versus payment basis.

For Standard Basket redemptions, the Authorised Participant must deliver to Vanguard the ETF units and will, in return, receive the basket components applicable to the Standard Basket for the ETF and any cash balancing payment. The Authorised Participant and the Issuer must also deliver cash amounts required to settle the securities transactions on a delivery versus payment basis.

For Standard Basket Transactions, Settlement of ETF units and the fixed income securities will typically occur on T+2 (the second business day after the trade). Where, over the settlement period, Austraclear or other applicable settlement facility is

closed for settlement and/or CHESS is closed for settlement, settlement of both ETF units and the fixed income securities may be extended by the relevant number of non-settlement days during the settlement period.

There is no buy/sell spread applicable to Standard Basket applications or redemptions.

Vanguard reserves the right to refuse any application or redemption request in relation to a Standard Basket. If an application or redemption request is rejected, the Authorised Participant will be notified.

Custom Basket applications/redemptions

ETF Applications/Redemptions indicating a Custom Basket and received from Authorised Participants before the order cut-off time on an ASX trading day are processed at the next determined purchase or withdrawal price for the ETF.

The order cut-off time for Custom Basket applications or redemptions containing only fixed income securities is normally 4:00pm on each ASX trading day. The order cut-off time for Custom Basket applications or redemptions containing a cash amount in place of basket securities is normally 2:00pm on each trading day. In either case, an earlier cut-off will apply when the ASX or fixed income market closes early. In those instances please contact Vanguard ETF Capital Markets on 1300 655 888 for the cut-off time.

ETF Applications/Redemptions received after the order cut-off time on an ASX trading day or on a non-ASX trading day are, if accepted treated as being received prior to the cut-off time on the next ASX trading day. Please refer to the section 'Valuations and pricing' on page 16 for more details.

Custom Baskets are negotiated between the Authorised Participant and Vanguard and accepted at Vanguard's discretion. Authorised Participants wishing to transact using a Custom Basket should contact Vanguard at least an hour prior to the order cut-off time on the relevant ASX trading day to negotiate the Custom Basket. Vanguard's agreement to the composition of a Custom Basket does not constitute acceptance of the application or redemption request. Refer to the Execution and Settlement Procedures for more information.

Authorised Participants who have negotiated a Custom Basket should allow sufficient time for their Applications/Redemptions to be received by Vanguard prior to the order cut-off time on the relevant ASX trading day.

For applications, the Authorised Participant must deliver to Vanguard the Custom Application Basket for that ETF and will, in return, receive the ETF units valued at the purchase price applicable to that Custom Application Basket.

For redemptions, the Authorised Participant must deliver to Vanguard the ETF units and will, in return, receive the basket components applicable to the Custom Redemption Basket for that ETF valued at the withdrawal price applicable to the Custom Redemption Basket.

Custom Baskets containing an amount of cash in place of specified fixed income securities are subject to a buy or sell spread on the cash amount in place of securities and an earlier order cut-off time. The buy/sell spread is determined by Vanguard and calculated as part of the purchase/withdrawal price for the transaction. Please refer to the section 'Buy/sell spread costs' on page 20 for more information regarding buy/sell spreads.

Vanguard reserves the right to refuse any application or redemption request, including where it has negotiated or requested a Custom Basket. If an application or redemption request is rejected, the Authorised Participant will be notified.

For Custom Basket Transactions, Settlement of ETF units and the fixed income securities will typically occur on T+2 (the second business day after the trade). Where, over the settlement period, Austraclear is closed for settlement and/or CHESS or any other applicable settlement facility is closed for settlement, settlement of both ETF units and the fixed income securities may be extended by the relevant number of non-settlement days during the settlement period.

Cash Transactions

ETF Applications/Redemptions indicating a Cash Transaction received before the cut-off time on an ASX trading day are processed at the next determined purchase or withdrawal price for the ETF. ETF Applications/Redemptions received after the order cut-off time or on a non-ASX trading day are, if accepted treated as being received prior to the cut-off time on the next ASX trading day.

The cut-off time for Cash Applications is normally 3:30pm on each ASX trading day and the cut-off time for Cash Redemptions is normally 2:00pm on each ASX trading day. An earlier cut-off will apply when the ASX closes early. In this instance, please contact the Vanguard ETF Capital Markets Team on 1300 655 888 for the revised cut-off time.

For applications, the Authorised Participant must deliver to Vanguard an amount of cash equal to the value of the ETF units determined according to the purchase price and will, in return, receive the ETF units. On an application the settlement of cash and ETF units normally occurs on T+2 (i.e. the second business day after the trade).

For redemptions, the Authorised Participant must deliver to Vanguard the ETF units and will, in return, receive an amount of cash equal to the value of the ETF units determined according to the withdrawal price. On a redemption, the settlement of cash and ETF units normally occurs on T+2 (i.e. the second business day after the trade).

The purchase/withdrawal price will include a buy/sell spread. For more information regarding buy/sell spreads please refer to the section 'Buy/sell spread costs' on page 28.

Vanguard reserves the right to refuse any application or redemption request. If an application or redemption request is rejected, the Authorised Participant will be notified.

Important note for applications and redemptions by Authorised Participants

There may be occasions where Vanguard may suspend application or redemption requests. This may occur around the end of a distribution period when Vanguard is calculating and paying the distributable income for the relevant period and during ASX settlement holidays or where there are factors, as determined by Vanguard, which prevent the accurate calculation of unit prices. Vanguard will advise investors in the event that such a suspension will occur.

While a Fund is liquid for the purposes of the Corporations Act, Vanguard must satisfy a redemption of ETF units within 30 days (for the Vanguard Australian Fixed Interest Index Fund) and 60 days (for the Vanguard Australian Government Bond Index Fund) of the date on which the redemption request is received or such longer period as permitted in accordance with the applicable Fund's constitution. The Fund is liquid if 80% of the value of the Fund's assets comprises liquid assets. If the Fund is illiquid, a withdrawal request must be dealt with in accordance with the constitution and the Corporations Act. You may not be able to withdraw the investment if the Fund is illiquid. It is not expected that the Fund will be illiquid.

In accordance with the applicable Fund constitution, redemptions which exceed 5 percent of a Fund's value may be processed progressively over a period of up to 20 business days at the withdrawal price applicable on each day on which the units are withdrawn.

No cooling off period applies in relation to ETF units.

Valuations and pricing

The value of an ETF unit is determined by dividing the NAV for the class of units (total assets for that class, less total liabilities for that class) by the number of units on issue in that class. Units are generally valued using the closing prices of the underlying securities on the relevant markets in which they trade. The value of units will change from time to time as the market value of the assets for a class of units rises or falls.

Units are usually valued daily, except on non-ASX trading days or if there are factors that prevent the accurate calculation of the unit price.

The purchase price per unit is determined by dividing so much of the NAV of the Fund as is allocated to the ETF class by the number of units on issue in the ETF at the time the purchase price is determined, and adjusted by the applicable buy spread for the transaction.

The withdrawal price (being the amount payable to an Authorised Participant on the redemption of their ETF units) is also determined by dividing so much of the NAV of the Fund as is allocated to the ETF class by the number of units on issue in the ETF class at the time the withdrawal amount is determined, adjusted by the applicable sell spread for the transaction.

The withdrawal price paid to an Authorised Participant on the redemption of ETF units will generally include an entitlement to the distributable income of the Fund. Please refer to the section '6. Distributions' on page 23' for further details regarding how this entitlement is determined. The balance of the withdrawal amount will comprise payment of the withdrawal price of the ETF units.

Details of the daily NAV price and Pricing Basket will be made available on Vanguard's website at www.vanguard.com.au or by contacting the Vanguard ETF Capital Markets Team on 1300 655 888.

Unit pricing policy

Vanguard has documented its policy as to how it determines unit prices for its managed funds (including the Fund).

Vanguard's Unit Pricing Discretions Policy is available on request to all investors and prospective investors at no charge by contacting the Vanguard ETF Capital Markets Team on 1300 655 888.

The policy explains our approach in relation to valuation methodology, rounding of decimal places, cut-off times for receiving instructions, the frequency of income distributions and unit pricing discretions generally.

Facsimile, email or online instructions

If you are advising Vanguard via facsimile, e-mail or online in respect of instructions (including applications and redemption requests) it is important to be aware that Vanguard:

- is deemed to have accepted an ETF application or redemption request, only when Vanguard confirms an order has been accepted;
- will only process an ETF application or redemption request if it is received by Vanguard in full and has been completed to Vanguard's satisfaction;
- is not responsible for any loss or delay that results from a facsimile, e-mail or online transmission not being received by Vanguard;
- will not accept:
 - a facsimile receipt confirmation from the sender's facsimile machine as evidence of receipt of the facsimile; or
 - a return receipt as evidence of receipt of an e-mail; or
 - any screenshot or extract of an online transaction produced by the sender as evidence of an online instruction;
- does not take responsibility for any fraudulently or incorrectly completed instructions; and
- will not compensate for any losses relating to facsimile, e-mail or online instructions, unless required by law. For example, the risk that a facsimile, e-mail or online transmission may be sent by a person who knows the investor's account details will be borne by the investor.

In the event of fraud the investor agrees to release, discharge and indemnify Vanguard from and against all actions, claims, demands, expenses and liabilities (however they arise) suffered by the investor or suffered by or brought against Vanguard, in respect of the facsimile e-mail or online instructions, to the extent permitted by law.

More detailed execution and settlement procedures for the Vanguard ETFs are available in the Authorised Participant Agreement. Please contact Vanguard ETF Capital Markets Team on 1300 655 888 for further information.

6. Distributions

Income distributions

The distributable income of the Funds are determined in accordance with their constitutions.

ETF investors can become entitled to the distributable income of a Fund in two ways:

- as a result of holding ETF units in a Fund at the end of each distribution entitlement date; or
- on the redemption of ETF units as an Authorised Participant (please refer to the section 'Distributions on redemption' below)

Periodic distributions

The distribution periods for the Funds will generally be quarterly (i.e. as at 31 March, 30 June, 30 September and 31 December each year). However, Vanguard also has the discretion under the constitutions of each Fund to alter the distribution periods and distribution entitlement date and determine distributions at other times.

All ETF unitholders as at the end of the distribution entitlement date may be entitled to the distribution for that distribution period (generally 31 March, 30 June, 30 September and 31 December in each year). The distribution entitlement date is generally the last day of the distribution period, however there are certain limited and exceptional circumstances where the distribution entitlement date is deferred to the next business day following the end of the distribution period (see 'Deferral of distribution entitlement date').

The amount of the distribution for each distribution period is based on the distributable income of a Fund for the financial year to date, less any amounts which may have already been distributed to investors during the previous distribution periods. The distributions made to ETF investors for each distribution period are calculated in cents per unit and will be based on the number of ETF units on issue as at the end of the distribution period. This means that, for example, if the number of units on issue increases before the end of a distribution period, this may decrease the amount of distributable income per unit that might otherwise have been distributed for the distribution period, and vice versa.

Distributions will generally be paid within 20 business days after the end of the relevant distribution period, though the constitutions for each Fund permits up to within two months. The amount of the distributions will vary from distribution period to distribution period, and there may be some distribution periods when a Fund will not pay a distribution.

Details in relation to the distributions by the Funds will be made available via an ASX announcement and on Vanguard's website at www.vanguard.com.au. Investors must be registered as a Unitholder at the record date (as advised in the ASX announcement) to be eligible for the distribution.

Deferral of the distribution entitlement date

The distribution entitlement date (other than 30 June) may be deferred, in certain limited and exceptional circumstances, to the first business day following the end of the relevant distribution period, where the ASX is closed for settlement on the first business day after the end of a distribution period, but the ETF class units may be traded on the ASX on that day. The distribution entitlement date is deferred, in these circumstances, on the basis that ETF units are not able to be quarantined as being ex-distribution on that day. This means that where the distribution entitlement date is deferred in these circumstances, ETF investors who purchase ETF units on the first business day after the distribution period will be entitled to the distribution for that distribution period and ETF investors who sell ETF units on the first business day after the distribution period will not be entitled to the distribution. For example, this may occur if the NSW Labour Day Holiday falls on the next business day after 30 September in any given year. Vanguard will announce details of when this will occur on the ASX Market Announcements Platform or on its website.

Distributions on redemption

Part of the withdrawal amount paid to an Authorised Participant on the redemption of their ETF units in the ordinary course may include a distribution of the distributable income of the relevant Fund. Please refer to the section '9. Taxation of ETF units' on page 29 for further information regarding how this entitlement is determined.

Tax statement

Vanguard will, as soon as reasonably practicable after the end of each financial year, issue to each ETF investor who received an entitlement to the distributable income of a Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income of that Fund on which the investor is assessed for the financial year. This may assist ETF investors in preparing their tax return for the year.

Distribution Reinvestment Plan

From time to time ETF investors may be able to participate in the ETF Distribution Reinvestment Plan ("DRP"). Participation in the DRP is subject to the terms and conditions of the DRP Policy. As long as the DRP is offered, ETF investors can choose to:

- participate in the DRP, in which case any distributions to which an investor is entitled will be reinvested in additional ETF units; or
- not participate in the DRP, in which case distributions will be paid directly to an investor's nominated Australian bank account.

If no DRP election is made, an investor will be deemed to have elected not to participate in any DRP on offer and distributions will automatically be paid as cash. An investor's DRP election continues until the investor makes a new DRP election.

Investors can obtain a copy of the DRP Policy and elect to participate in the DRP by registering online via Vanguard's share registrar or by calling Computershare on 1300 757 905. Investors will be notified of changes to the DRP on Vanguard's website at www.vanguard.com.au.

Vanguard ETF	Register online for DRP
Vanguard Australian Fixed Interest Index ETF ASX Code: VAF	www.computershare.com.au/easyupdate/VAF
Vanguard Government Bond Index ETF ASX Code: VGB	www.computershare.com.au/easyupdate/VGB

7. Fees and other costs

Did you know? Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features, such as superior investment performance or the provision of better member services, justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more: If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

Our fees and costs

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the ETF's assets as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for investors other than Authorised Participants (VAF and VGB)

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil ^A	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	0.20% p.a.	The management cost for each ETF is calculated as a percentage of each ETF's net asset value ^B . The fee is calculated daily and paid monthly. The fee for a month is paid on or after the first day of the following month. This fee is taken from the assets of the Fund and is reflected in the daily ETF unit price.
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

A Investors other than Authorised Participants cannot redeem ETF units with Vanguard, but may seek to sell ETF units on the ASX through their broker or adviser. Please refer to the section 'Withdrawal costs for investors other than Authorised Participants' on page 29

B Please refer to the section 'Valuations and pricing' on page 16 for an explanation of the net asset value for the Fund.

Example of annual fees and costs for investors other than Authorised Participants

The following table provides an example of how the fees and costs can affect an investment in the Fund over a one year period. You should use this table to compare the products with other managed investment products.

Vanguard Australian Fixed Interest ETFs (VAF & VGB)		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil ^B	For every \$5,000 you put in, you will be charged \$0.

PLUS management costs	0.20% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$100 each year.
EQUALS cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in \$5,000 during that year you will be charged fees of \$100 ^A .
A Assumes that the \$5,000 investment occurs on the last business day of the year and that there is a constant investment of \$50,000 throughout the year.		
B Refer to the section 'Stockbroker fees for all other investors' on page 29		

Fees and costs for Authorised Participants (VAF & VGB)

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Cash Applications: Nil ^A Standard or Custom Basket Applications: \$550 (VAF)/\$450 (VGB) ^B	
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Cash Redemptions: Nil ^A Standard or Custom Basket Redemptions: \$550 (VAF)/\$450 (VGB) ^B	
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	0.20% p.a.	The management cost for each ETF is calculated as a percentage of each ETF's net asset value ^C . The fee is calculated daily and paid monthly. The fee for a month is paid on or after the first day of the following month. This fee is taken from the assets of the Fund and is reflected in the daily ETF unit price.
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

A Buy/sell spread costs apply. Please refer to the section 'Buy/sell spread costs' on page 28 for more information concerning buy/sell spread costs. These costs do NOT apply to investors buying or selling ETF units on the ASX.

B Please refer to the section 'Transaction Costs for Authorised Participants' on page 28 for more information.

C Please refer to the section 'Valuations and pricing' on page 16 for an explanation of the net asset value for the Fund.

Example of annual fees and costs for Authorised Participants

The following table provides examples of how the fees and costs can affect an investment in the Fund over a one year period. You should use this table to compare the products with other managed investment products.

Vanguard Australian Fixed Interest ETFs (VAF & VGB)		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil ^A	For Cash Transactions, for every \$5,000 you put in, you will be charged \$0.
PLUS management costs	0.20% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$100 each year.
EQUALS cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in \$5,000 during that year you will be charged fees of \$100 ^{AB} .

A A minimum creation unit size of 10,000 units applies for Cash transactions by Authorised Participants and a buy spread cost also applies. Please refer to the section 'Buy/sell spread costs' on page 28 for more information. These costs do NOT apply to investors buying or selling ETF units on the ASX.

B Assumes that the \$5,000 investment occurs on the last business day of the year and that there is a constant investment of \$50,000 throughout the year.

8. Additional explanation of fees and costs

Management costs

The management costs for each ETF incorporate all relevant fees and other costs involved in managing the ETF and deriving investment returns, other than transaction and operational costs. Please refer to the section '7. Fees and other costs' on page 25 for the management cost of each ETF. These management costs include:

- responsible entity's fee;
- custodian fees (excluding transaction based fees);
- accounting and audit fees;
- index license fees;
- registry service fees; and
- any other recoverable expenses under the constitution of the Fund, such as the cost of preparing and amending the constitution, the cost of producing the PDS, the cost of investor meetings, postage and other Fund administration expenses.

The management costs for each ETF incorporate Goods and Services Tax ("GST") after taking into account reduced input tax credits that are available to be claimed by the relevant Fund.

The management costs for each ETF are capped while this PDS is current. The cap for management costs excludes any transaction and operational fees incurred by each ETF, such as ordinary brokerage and transaction fees charged for settling trades of the ETF assets. These costs are an additional cost to investors which are deducted from the assets of each ETF and which will be reflected in the ETF unit price. The exact amount of these costs is dependent on various factors, and as such, Vanguard is unable to provide a meaningful amount or percentage of these costs.

In calculating the taxable income for each Fund, all available tax deductions are taken into account. This means that the effective after-tax cost to investors of the relevant management costs may be lower than the amounts specified on page 25, to the extent that management costs are deductible and reduce the taxable income of each Fund. Please refer to the section '9. Taxation of ETF units' on page 29 for more information on taxation.

Transaction Costs for Authorised Participants

A separate fee will be charged in relation to the Transaction Costs associated with the application/redemption of units by way of Standard and Custom Basket transactions (ETF Recovery Fee). This represents the costs associated with the custodian in respect of the issue or redemption of units in the transaction. Vanguard may vary the Transaction Costs from time to time and will notify Authorised Participants electronically of any change.

The following table indicates the Transaction Costs for Standard and Custom Basket transactions for the ETF application or redemption. Cash Transactions do not incur these Transaction Costs.

Transaction Costs for Authorised Participants ^A	Application	Redemption
Vanguard Australian Fixed Interest Index ETF	AUD 550	AUD 550
Vanguard Australian Government Bond Index ETF	AUD 450	AUD 450

A These Transaction Costs are current as at the date of issue of this PDS.

Buy/sell spread costs

The buy/sell spread costs is Vanguard's reasonable estimate of the transaction costs that the Funds will incur when buying and selling assets to invest application amounts and meet withdrawals. The buy/sell spread costs are paid to the Funds to meet these expenses and are not received by Vanguard. The purpose of the buy/sell spread is to protect investors from the costs generated by the transaction activity of other investors and is an additional cost to the Authorised Participant.

The buy/sell spread is reflected in the purchase/withdrawal amount applicable for that transaction.

Vanguard will provide details of the buy/sell spread to Authorised Participants electronically.

Vanguard may vary the buy/sell spread costs from time to time including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be provided to Authorised Participants electronically.

Withdrawal costs for investors other than Authorised Participants

Investors other than Authorised Participants cannot redeem ETF units with Vanguard, but may seek to sell ETF units on the ASX through their broker or adviser. Investors (other than Authorised Participants) may incur brokerage fees, commissions and a bid/ask spread (being the difference between the price at which participants are willing to buy and sell ETF units on the ASX) when buying and selling ETF units on the ASX. Please consult a stockbroker for more information in relation to their fees and charges.

Stockbroker fees for all other investors

Investors (other than Authorised Participants) may incur brokerage fees, commissions and a bid/ask spread (being the difference between the price at which participants are willing to buy and sell ETF units on the ASX) when buying and selling ETF units on the ASX. Please consult a stockbroker for more information in relation to their fees and charges.

Maximum fees set out in the constitution

The management costs for the ETFs include a management fee component which is Vanguard's remuneration for managing the Fund and an expense reimbursement component.

The constitutions governing the ETFs limit the amount of the management fee component to

- for the Vanguard Australian Fixed Interest Index Fund, 0.20% per annum (excluding GST);
- for the Vanguard Australian Government Bond Index Fund 0.50% per annum (excluding GST)

based on the NAV of the ETF:

Vanguard currently does not intend to increase existing management costs or introduce new fees.

9. Taxation of ETF units

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the ETFs, and is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for investors.

It does not take into account the specific circumstances of each person who may invest in an ETF and should not be used as the basis upon which potential ETF investors make a decision to invest in an ETF.

For example, the taxation information provided in this PDS:

- deals only with the Australian tax consequences of investing in ETF units for Australian tax residents;
- does not consider any non-Australian tax consequences of investing in ETF units;
- assumes that the ETF units will not be held as trading stock;
- assumes that the ETF units will not be subject to the fair value, hedging or financial reports elections under the rules affecting the taxation of financial arrangements; and
- does not apply to investors who are exempt from Australian income tax.

As each investor's circumstances are different, Vanguard strongly recommends that investors obtain independent professional tax advice concerning the tax implications of investing in and dealing in ETF units. This is particularly the case if the taxation information provided in this PDS does not apply to the investor, for example, where the investor is not an Australian tax resident.

The taxation information in this PDS has been prepared based on tax laws and administrative interpretations of such laws available at the time of publication of this PDS, which may change.

Distributions from the ETF

Generally, Vanguard, as responsible entity of each Fund, should not be subject to income tax on the net taxable income of each Fund provided that investors in each Fund are presently entitled to all of the relevant Fund's net taxable income each year. Vanguard intends to take all reasonable steps to ensure that the investors holding units in the Funds will be presently entitled to all of the Fund's net taxable income each year.

Investors will be assessed on their share of the net taxable income of the relevant Fund each year in proportion to their entitlements to the income for the year. This is the case even if payment of the income entitlement that gave rise to the assessable income did not occur until after the end of the financial year, or if the income entitlement is reinvested in additional units in the relevant Fund under the DRP.

A holder of ETF units receives an entitlement to the income of the relevant Fund for a financial year if they hold ETF units at the end of a distribution entitlement date, or, for Authorised Participants, if they redeem any ETF units during the financial year in the ordinary course and the withdrawal amount includes a distribution of income from the relevant Fund.

The income tax impact for a holder of ETF units of receiving income distributions will depend upon the components of the net taxable income in which an investor is entitled to receive from the relevant Fund.

The income that is distributed to ETF investors during the financial year may include entitlements to amounts that are net taxable income for the Funds as well as non-assessable amounts. The components of the income that are distributed to ETF investors will also depend on the investments of the Fund from time to time. For example, given the expected investments of the Funds, it is anticipated that a distribution of the income of the Funds may comprise amounts that are referable to Australian interest and Australian other income.

Investors will be provided with tax statements after the end of each financial year detailing the components, for income tax purposes, of any net taxable income of the relevant Fund that they may be assessed on for the financial year as a result of their entitlements to the income of the relevant Fund, including on the redemption of ETF units. This information should assist investors in preparing a tax return for the year.

Proposed changes to the tax treatment of trusts

The former Australian Government announced, on 7 May 2010, that it proposed to introduce a new regime for the taxation of managed investment trusts (MITs). The Government recently introduced the MIT legislation into Federal Parliament including a number of related amendments. At the date of this PDS the new regime, when enacted will apply by election of each Fund, to income years commencing on or after 1 July 2016, unless each Fund chooses to apply the rules from 1 July 2015.

Based on the information that is currently available, it is anticipated that the regime, when enacted, should provide greater certainty regarding the tax treatment of managed investment trusts, including the Funds, and the tax treatment of distributions that are made on ETF units. Vanguard will monitor these amendments and their impact on the tax treatment of the ETFs.

Selling or transferring units

If an investor in an ETF disposes of ETF units by selling or transferring the units to another person (e.g. selling ETF units on-market), the investor may be liable for tax on any gains realised on that disposal of units.

If an investor is assessed otherwise than under the capital gains tax provisions on a disposal of ETF units (e.g. if the investor is in the business of dealing in securities like ETF units), any profits or gains realised on the sale or transfer of the units should be assessable as ordinary income. Those investors may be able to deduct any losses made on the sale or transfer of ETF units against current or future assessable income amounts, subject to certain integrity requirements.

For investors who are assessed under the capital gains tax provisions on the disposal of ETF units, a capital gain or loss may be made on the disposal of ETF units. Where a capital gain has been made, some investors may be eligible for the discount capital gains concession (50% for individuals and certain trusts and 33.33% for complying superannuation funds) which can be applied to reduce the investor's net capital gains on the disposal of ETF units after capital losses are applied. In order for the discount capital gains concessions to be available, certain requirements may need to be satisfied (such as the units being held for at least 12 months before they are disposed of). Investors should obtain independent professional tax advice about the availability of the CGT discount.

Any capital loss arising on a disposal of ETF units may only be offset against capital gains made in that year or subsequent years.

Goods and Services Tax ("GST")

The issue and withdrawal of ETF units will not be subject to GST. However, fees and expenses, such as management costs, incurred by a Fund will attract GST.

Given the nature of the activities of the Funds, the Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, a Reduced Input-Tax Credit ("RITC") should be available to be claimed against the GST paid on the expenses incurred by the relevant Fund.

The GST and expected RITC relating to fees and expenses are incorporated in the management cost for each Fund.

Applying for and redeeming ETF units

A person will only be eligible to apply for and redeem ETF units in the ordinary course if they are an Authorised Participant.

This section seeks to provide a summary of the income tax consequences of applying for and redeeming ETF units by Authorised Participants who are assessed on the disposal of ETF units otherwise than under the capital gains tax provisions.

We recommend Authorised Participants obtain independent professional tax advice regarding the tax consequences of applying for and redeeming ETF units, particularly if they may be assessed on the disposal of ETF units under the capital gains provisions.

Applications

The ETF units which an Authorised Participant acquires on an application for ETF units should be taken to have been acquired at a cost equal to the purchase price of those units.

Redemptions

An Authorised Participant who redeems ETF units will become entitled to receive the withdrawal amount on the redemption. The withdrawal amount for such an Authorised Participant may comprise a distribution of the income of the relevant Fund and the payment of the withdrawal price for the ETF units which are to be redeemed.

The distribution of the income of the Fund received on the redemption of ETF units may include an entitlement to income (including other gains) realised by a Fund. The distribution may also include any income realised by a Fund in order to fund the payment of the withdrawal amount to the redeeming Authorised Participant more generally.

An Authorised Participant who redeems ETF units should also be assessed on any profit arising on the redemption of the ETF units. An Authorised Participant who redeems ETF units may be entitled to a deduction for any loss arising on the redemption of ETF units.

For the purposes of determining the profit or loss arising on the redemption, the withdrawal price (being the withdrawal amount less the income distribution provided as part of the withdrawal amount) should properly be regarded as the proceeds received in respect of the disposal.

That part of the withdrawal amount that is a distribution of income should also be assessable, based on the components of the income as disclosed in a separate letter. The tax consequences for an Authorised Participant will depend on their particular circumstances.

It will not be possible to determine the amount or components of the net taxable income on which an Authorised Participant is assessed as a result of receiving a distribution of income on the redemption of ETF units until after the end of the financial year in which the ETF units are redeemed. A separate letter will be provided after the end of each financial year detailing the amount and components of the net taxable income of the relevant Fund on which the Authorised Participant is assessed as a result of a distribution of income received on the redemption of ETF units during that year.

The distribution of income to an Authorised Participant who redeems ETF units seeks to ensure that any taxable income that arises for a Fund as a result of the redemption of ETF units by the Authorised Participant should be allocated to the Authorised Participant, rather than continuing investors in ETF units.

In order to redeem ETF units, the Authorised Participant must also be an Australian Resident as defined in the constitution for the Fund. This means that the Funds should not be required to withhold any amounts from the withdrawal amount paid on redemption of ETF units on account of any distribution of income provided on redemption as part of the withdrawal amount.

An Authorised Participant will be an Australian Resident as defined in the constitution of each Fund if they provide Vanguard with an undertaking that they have been an Australian Resident for tax purposes from the beginning of the financial year in

which the undertaking is made, and that they expect to continue to be an Australian Resident for tax purposes for all subsequent financial years, and have not subsequently notified Vanguard to the contrary.

10. Other information you need to know

Vanguard as the responsible entity

Vanguard, as the responsible entity, is solely responsible for the management and administration of the Funds. Vanguard holds an Australian Financial Services Licence (AFSL 227263) that authorises it to act as the responsible entity of the Funds. The powers and duties of Vanguard are set out in the constitution of each Fund, the *Corporations Act* and general trust law. The duties of Vanguard under the *Corporations Act* include:

- acting in the best interests of investors and, if there is a conflict between investors' interests and Vanguard's interests, giving priority to investors' interests
- ensuring that Fund property is clearly identified as Fund property and held separately from property of Vanguard and property of any other fund, and is valued at regular intervals
- ensuring that payments out of Fund property are made in accordance with the *Corporations Act*
- reporting to ASIC any significant breach or likely breach of an obligation under the general AFSL conditions under section 912A of the *Corporations Act* and any breach of the *Corporations Act* that relates to the Fund and has had, or is likely to have, a materially adverse effect on the interests of investors

Vanguard has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Funds.

The constitution

The Funds are each a registered managed investment scheme and each governed by a constitution. Under the constitutions, Vanguard has all the powers of a natural person in respect of the Funds. The constitutions for the Funds set out the rights and obligations of the unitholders and Vanguard (as responsible entity of the Funds). This PDS outlines some of the more important provisions of the constitution.

A copy of the constitution for each Fund may be inspected by unitholders at Vanguard's office, during business hours. Vanguard will provide unitholders with a copy of each constitution upon request.

Amendments to the constitution

Vanguard may amend the constitutions of the Funds from time to time, subject to the provisions of the relevant constitution and the *Corporations Act*. Generally, Vanguard can only amend a constitution where Vanguard reasonably believes that the change will not adversely affect the rights of a unitholder. Otherwise a constitution can only be amended if approved at a meeting of unitholders.

The custodian

Vanguard has appointed JPMorgan Chase Bank N.A. (Sydney branch) to act as an independent custodian to hold and have overall responsibility for holding the assets of the ETFs. The custodian may, from time to time, appoint sub-custodians.

The compliance plan

Vanguard has prepared and lodged a compliance plan for each Fund with ASIC. The compliance plan sets out the key criteria that Vanguard will follow to ensure that it is complying with the *Corporations Act* and the Fund's constitutions. Each year compliance with the compliance plans are independently audited, as required by the *Corporations Act*, and the auditor's report is lodged with ASIC.

The compliance committee

Vanguard is required to and has established a compliance committee with a majority of members that are external to Vanguard. The compliance committee's functions include:

- Monitoring Vanguard's compliance with the compliance plans and reporting its findings to Vanguard;
- Reporting breaches of the *Corporations Act* or the constitutions to Vanguard;
- Reporting to ASIC if the committee is of the view that Vanguard has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- Assessing the adequacy of the compliance plan, recommending any changes and reporting these to Vanguard.

Reporting and disclosure obligations

Vanguard, as responsible entity of the Funds will comply with the provisions of the *Corporations Act*, including the continuous disclosure requirements that apply to an unlisted disclosing entity as if the Funds were unlisted disclosing entities. As disclosing entities, the Funds are subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Funds may be obtained from, or inspected at, an ASIC office. Vanguard can also provide you with a copy (free of charge) of:

- the Annual Financial Report most recently lodged with ASIC for the Funds;
- any half-yearly fund financial reports lodged with ASIC in relation to the Funds after the lodgement of the Annual Financial Report and before the date of the PDS;
- any continuous disclosure notices given for the Funds after the lodgement of the Annual Financial Report and before the date of the PDS; and
- a transaction statement detailing holdings and transactions will be provided to ETF investors at least once a year.

Change of index

The responsible entity has the right to change the index or index provider for each Fund. If an index were to be changed, the responsible entity would make an announcement to the ASX and take other steps as required by law or the AQUA Rules.

Rights of a unitholder

A unit confers a beneficial interest on a unitholder in the assets of a fund but not an entitlement or interest in any particular part of the fund or any asset.

The terms and conditions of the Fund constitutions are binding on each unitholder in the relevant Fund and all persons claiming through them respectively, as if the unitholder or person were a party to the constitutions.

Reimbursement of expenses

In addition to any other indemnity which Vanguard may have under the Fund constitutions or at law, Vanguard is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Funds for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of the relevant Fund.

Retirement of Vanguard

Vanguard may retire as responsible entity of the Fund(s) by calling a meeting of unitholders to enable unitholders to vote on a resolution to choose a company to be the new responsible entity. Vanguard may be removed from office by an extraordinary resolution (i.e. 50% of all units in the relevant Fund entitled to vote, including members who are not present in person or by proxy) passed at a meeting of unitholders, in accordance with the *Corporations Act*.

Termination

Vanguard may wind up a Fund at any time on giving notice to unitholders. Following winding up, the net proceeds will be distributed to unitholders.

Limitation of liability of unitholders

The Fund constitutions provides that the liability of each unitholder is limited to its investment in the relevant Fund and that a unitholder is not required to indemnify Vanguard or a creditor of Vanguard against any liability of Vanguard in respect of the relevant Fund, except as otherwise set out in the constitution, including that:

- a person applying for units indemnifies Vanguard against any liability in respect of the applicant paying or failing to pay the application amount; and
- an Authorised Participant who redeems units indemnifies Vanguard against any liability in respect of a withdrawal amount otherwise than as required by the constitution.

However, no complete assurance can be given in this regard, as the ultimate liability of a unitholder has not been finally determined by the courts.

Meeting of unitholders

Vanguard may convene a meeting of unitholders of a Fund at any time (e.g. to approve certain amendments to the Fund's constitution or to wind up the Fund(s)). Unitholders also have limited rights to call meetings and have the right to vote at any unitholder meetings. Except where the Fund constitutions provides otherwise, or the *Corporations Act* requires otherwise, a resolution of unitholders must be passed by unitholders who hold units exceeding 50% in value of the total value of all units held by unitholders who vote on the resolution.

A resolution passed at a meeting of investors held in accordance with the relevant Fund's constitution binds all investors of that Fund.

Indemnities and limitation of liability of Vanguard

In general, Vanguard may act on the opinion of, advice of and information obtained from advisers and experts. In those cases, Vanguard is not liable for anything done in good faith in reliance on that opinion, advice or information. Vanguard is indemnified out of the relevant Fund against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of its duties or prosecuting or defending any action or suit in connection with the relevant Fund other than if it arises out of Vanguard's fraud, negligence or breach of trust.

Vanguard is not liable personally to unitholders or other persons for failing to act except in the case of fraud, negligence or breach of trust or duty.

Borrowings

Vanguard is empowered by the constitutions of the Funds to borrow or raise money for each Fund, however Vanguard will only borrow where it believes it is in the best interests of unitholders to do so. It is not currently Vanguard's intention to borrow for the purposes of gearing.

If you have a complaint

If investors have a complaint regarding the Funds or services provided by Vanguard, please contact the Vanguard ETF Capital Markets Team on 1300 655 888 from 8:30 am to 5:30 pm Melbourne time, Monday to Friday.

If the complaint is not satisfactorily resolved within three business days you can refer the matter in writing to: Client Services Manager, Vanguard Investments Australia Ltd, GPO Box 3006, Melbourne Vic 3001.

Vanguard will try to resolve the complaint and get back to investors as soon as possible, but in any event we will acknowledge receipt of a complaint within 2 business days and provide a final response, within 45 days of receipt.

In the event that investors are not satisfied with the outcome of the complaint, they have the right to refer the matter to an external dispute resolution process the Financial Ombudsman Service ("FOS"). Investors can contact FOS on 1800 367 287.

Privacy policy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information. Vanguard is committed to respecting the privacy of your personal information. Vanguard's privacy policy states how Vanguard manages personal information.

Vanguard collects personal information in the ETF Application/Redemption Form and may collect personal information from external sources, such as the share registrar. Some information must be collected for the purposes of compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*.

Vanguard may provide personal information to an investor's financial adviser if written consent is provided to Vanguard. Vanguard may be required to disclose personal information to regulators, including authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre ("AUSTRAC") in connection with anti-money laundering and counter-terrorism financing.

Vanguard may provide an investor's personal information to its service providers for certain related purposes (as described under the *Privacy Act 1988 (Cth)*) such as account administration and the production and mailing of statements. Vanguard may also use an investor's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep investors informed of Vanguard's products and services, or to their financial adviser or broker to provide financial advice and ongoing service.

Vanguard will assume consent to personal information being used for the purposes of providing information on services offered by Vanguard and being disclosed to market research companies for the purposes of analysing Vanguard's investment base, unless otherwise advised.

For a complete description of how personal information may be handled (including other potential uses), please see Vanguard's privacy policy at www.vanguard.com.au or contact the Vanguard ETF Capital Markets Team on 1300 655 888. You may request to update or access any personal information we hold about you.

Foreign Account Tax Compliance Act (FATCA)

FATCA is a law from the United States of America (US), effective 1 July 2014, which impacts investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in assets outside the US, including through their investments in foreign financial institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service (IRS).

The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the Government of the United States of America for reciprocal exchange of taxpayer information. Under the IGA, financial institutions operating in Australia report information to the Australian Taxation Office (ATO) rather than the US IRS. The ATO may then pass the information on to the US IRS.

The Funds are expected to be 'Foreign Financial Institutions' under the IGA and Vanguard intends to comply with its FATCA obligations, as determined by Australian law implemented for the purposes of compliance with the IGA. These laws apply to all financial institutions offering bank or deposit accounts, investment funds, custodial accounts and certain insurance accounts in Australia.

It is anticipated that the ETFs will be "regularly traded" under the IGA and therefore Vanguard will not be required to meet its obligations in respect of ETF accounts until 1 January 2016.

In order for the Fund to comply with these obligations, Vanguard may be required to collect certain information about you as necessary to verify your FATCA status.

Vanguard is required to provide information about the following investors to the ATO:

- investors identified as US citizens or tax residents (information about corporations and trusts with US substantial owners or controlling persons will also be reported);
- investors who do not confirm their FATCA status; and
- certain financial institutions that do not meet their FATCA obligations (non-participating foreign financial institutions).

Vanguard is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or the IGA for investors' business activities. Vanguard strongly encourages investors to seek the advice of an experienced tax adviser to determine what actions investors may need to take.

Anti-money laundering and counter-terrorism financing

Vanguard is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* ("AML/CTF Laws"). By completing the Application/Redemption form, the investor agrees that:

- they do not apply for or redeem ETF units under an assumed name;
- money used to acquire the securities is not derived from or related to any criminal or terrorist financing activities;
- any proceeds of the investment will not be used in relation to any criminal or terrorist financing activities; and
- the investor will provide the information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor and any beneficial interest in the units).

Vanguard may obtain information about the investor or any beneficial owners from third parties if it is believed this is necessary to comply with AML/CTF Laws. Additionally, in order to comply with these laws, Vanguard may be required to disclose information to relevant regulators of AML/CTF Laws (whether in or outside of Australia).

Under AML/CTF Laws applications and or redemption requests made without providing all the information and supporting identification documentation requested cannot be processed until this information has been provided and, as a result, delays in processing may occur.

Interest on amounts awaiting investment or withdrawal

Amounts paid to a Fund may accrue interest in the Fund's accounts pending the issue of ETF units or the return of application monies. Similarly, amounts made available to satisfy a withdrawal request may also accrue interest pending payment. Any such interest will be retained for the benefit of investors.

Consents to inclusion of statements

Bloomberg has given and not withdrawn their consent to the statements relating to Bloomberg on pages 14 and 15 of the PDS under the section heading 'Index Information' and on page 37 of the PDS under the heading 'Bloomberg Disclaimer' in the form and context in which they appear.

Consents to lodge PDS

The directors of Vanguard have consented to the lodgement of this PDS with ASIC.

ASIC relief

Equal treatment relief

ASIC granted relief under section 601QA(1) of the Corporations Act from the equal treatment requirement in section 601FC(1) to the extent necessary to allow the responsible entity to permit only Authorised Participants who are Australian residents for tax purposes to withdraw from the Funds.

Ongoing disclosure of material changes and significant events

ASIC has granted relief under section 1020F of the *Corporations Act* from the ongoing disclosure requirements in section 1017B on condition that the responsible entity complies with the continuous disclosure requirements in the *Corporations Act* as if the fund were an unlisted disclosing entity.

Periodic statements

ASIC Class Order [13/1200] grants relief to ETF issuers under sections 1020F(1)(a) and 1020F(1)(c) of the Corporations Act so that where a unitholder has acquired or disposed of ETF Units during the period and the ETF issuer does not know the price at which the ETF Units were transferred, periodic statements and exit statements do not need to include the amounts paid in relation to the transfer or the return on investment during the reporting period (provided that the ETF issuer is not able to calculate the return on investment and the periodic statement explains why this information was not included and describes how it can be obtained or calculated). The ETF issuer must also provide information about the performance of the ETF relative to the investment objectives of the ETF that the issuer believes is sufficient for the investor to make an informed assessment of the performance of the Fund for the relevant prescribed periods.

11. Glossary

AQUA Rules means the rules that apply to AQUA products and the trading of AQUA products as set out in Schedule 10A of the ASX Operating Rules.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Authorised Participant means a person who has executed an Authorised Participant Agreement with Vanguard.

Cash Transaction means a Cash Application or Cash Redemption.

Cash Application means an application made by an Authorised Participant by exchanging an amount of cash for ETF units

Cash Redemption means a redemption made by an Authorised Participant by exchanging an amount of ETF units for cash.

CHESS means the Clearing House Electronic Sub register System.

ETF means the Vanguard Australian Fixed Interest Index ETF and the Vanguard Australian Government Bond Index ETF offered in this PDS.

Fund means the Vanguard Australian Fixed Interest Index Fund ARSN 090 939 941 and Vanguard Australian Government Bond Index Fund ARSN 134 177 807 each an Australian registered managed investment scheme.

Index in relation to the Vanguard Australian Fixed Interest Index ETF means the Bloomberg AusBond Composite 0+ Year Index and in relation to the Vanguard Australian Government Bond Index ETF means the Bloomberg AusBond Government 0+ Year Index

Vanguard means Vanguard Investments Australia Ltd (ABN 72 072 881 086 AFSL 227263).

Bloomberg disclaimer

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Connect with Vanguard™ > vanguard.com.au > 1300 655 888

Vanguard Investments Australia Ltd
(The Product Issuer)

Registered office

Level 34, Freshwater Place
2 Southbank Boulevard
Southbank Vic 3006

Postal address

GPO Box 3006
Melbourne Vic 3001

Vanguard ETF Capital Markets

8:30 am to 5:30 pm (Melbourne time)

Monday to Friday

Telephone: 1300 655 888

Facsimile: 1300 765 712

E-mail: etf@vanguard.com.au

ASX enquiries

131 279 (within Australia)

+61 2 9338 0000 (outside Australia)

Application/Redemption form

Vanguard® Australian Fixed Interest Index ETF (VAF)

Vanguard® Australian Government Bond Index ETF (VGB)

Dated 7 March 2016

It is important to read the Vanguard Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS and the ETF Application/Redemption form will be provided free of charge upon request.

Please complete ALL sections in BLOCK letters.

You can fax or email the completed Application/Redemption form to Vanguard for processing.

@ Email

etf@vanguard.com.au



Fax

From Australia
1300 765 712
From Overseas
(+61) 3 8888 3777



Note

This form is for use by participants authorised by Vanguard Investments Australia Ltd only.

1. Application Details

Name _____

ACN/ABN

Email _____

Postal address _____

Suburb _____ State Postcode

Telephone () Fax ()

Participant ID (PID)

2. Basket Details

Select basket type (select one only) ☐ Standard ☐ Custom ☐ Cash (No reference number required)

Basket reference number

3. Number of Units to be Applied or Redeemed

This Applicant hereby applies to Vanguard Investments Australia Ltd for Units as specified below.

Please note: Cash applications/redemptions for VAF and VGB are to be made in whole multiples of 10,000 units only. Standard basket and custom basket applications/redemptions for VAF are to be made in whole multiples of 150,000 units only. Standard basket and custom basket applications/redemptions for VGB are to be made in whole multiples of 100,000 units only.

Fund name	ASX code	Number of application units	Number of redemption units
Vanguard® Australian Fixed Interest Index ETF	VAF	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Vanguard® Australian Government Bond Index ETF	VGB	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Additional trade instructions

4. Signatures

- I/We acknowledge that I am/we are an Australian Resident for tax purposes from the beginning of the financial year in which the application or redemption is made and I/we expect to continue to be an Australian resident for tax purposes for each subsequent financial year and I/we have not notified Vanguard to the contrary.
- I/We have received the Product Disclosure Statement (PDS) for the Vanguard Exchange Traded Fund (Fund) to which this application/redemption applies (electronic or hard copy), I/we have detached this ETF Application/Redemption Form from this PDS and declare all details given in this form are true and correct.
- I/We have read the PDS to which this application/redemption applies and agree to be bound by the terms and conditions of the PDS, the Indemnity in relation to facsimile and email instructions as referred to in the PDS, and the constitution of the applicable Fund (as amended from time to time).
- I/We understand that none of The Vanguard Group, Inc. (including Vanguard Investments Australia Ltd) or their related entities, directors or officers guarantees the performance of, the repayment of capital, or income invested in the applicable Fund.
- I/We declare that I/we have the capacity and power to make an investment in accordance with the application/redemption.
- I/We declare that in making a decision to invest the only information and representations provided by Vanguard are those contained in this PDS to which this application/redemption relates and in the Authorised Participant Agreement entered into between Vanguard and me/us.
- If signed under power of attorney, the attorney verifies that no notice or revocation of that power has been received.
- I/We acknowledge that I am/we are or I/we have engaged a Trading Participant under the ASX Operating Rules.
- I/We agree to reimburse and indemnify Vanguard for all taxes, duties and charges (Debit Amount) imposed against Vanguard or its agents that may be assessed against Vanguard as a result of my/our entitlement to the capital or distributable income of the applicable Fund.
- I/We understand that Vanguard may request or require additional personal or investor information in order to fulfil legislative obligations. Failure to supply the information punctually may result in Vanguard being prevented by law from carrying out instructions.
- I/We authorise Vanguard to deduct from my/our income distributions payable from the applicable Fund, on account of the Debit Amount which Vanguard is or may become liable to pay in respect of my/our entitlement to the capital or distributable income of the applicable Fund.
- I/We consent to receive notifications sent by e-mail to the e-mail address provided above or otherwise notified to Vanguard.
- I/We acknowledge that any additional trade instructions will be accepted by Vanguard at its absolute discretion.

Authorised signatory 1

Signature _____

Name _____

Position _____ Date / /

Authorised signatory 2

Signature _____

Name _____

Position _____ Date / /