

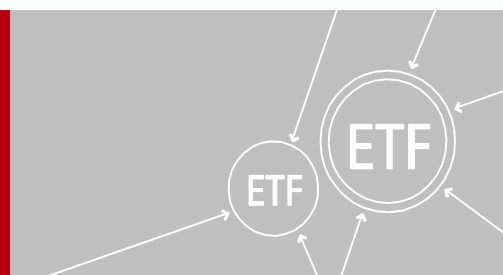
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**Vanguard**

## Interim Report for the Vanguard® Exchange Traded Funds

9 March 2021



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard Ethically Conscious International Shares Index ETF	VESG	Interim Report
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	VMIN	Interim Report
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	Interim Report

Vanguard has prepared an interim report for the half year ended 31 December 2020, for the Vanguard Wholesale Funds. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

The interim report provides financial information for each fund and where indicated, provides specific information for the ETF class.

### Further Information

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

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**Interim report for the half year ended** 31 December 2020

Vanguard® Wholesale International Equities Funds (Hedged)  
and ETFs

2020-  
2021

# Vanguard Wholesale International Equities Funds (Hedged) and ETFs

	ASX CODE:		
Vanguard Global Infrastructure Index Fund (Hedged)		ARSN 128 385 197	ABN 92 392 829 821
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	ARSN 165 786 989	ABN 92 314 430 239
Vanguard International Property Securities Index Fund (Hedged)		ARSN 115 001 360	ABN 52 511 318 838
Vanguard Ethically Conscious International Shares Index Fund	VESG	ARSN 626 133 275	ABN 89 276 633 202
Vanguard Global Minimum Volatility Fund	VMIN	ARSN 165 787 708	ABN 80 259 391 198
Vanguard International Shares Index Fund (Hedged)		ARSN 093 254 909	ABN 97 123 270 094
Vanguard International Shares Select Exclusions Index Fund		ARSN 613 045 739	ABN 45 215 187 041

## Responsible Entity

Vanguard Investments Australia Ltd  
ABN 72 072 881 086  
AFSL 227263

Level 13  
130 Lonsdale Street  
Melbourne Vic 3000

Telephone: (03) 8888 3888  
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# About Vanguard

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

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

With over AUD \$9.2 trillion in assets under management as of 31 December 2020, including more than AUD \$2 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

## Our unique structure – putting investors' interests first

What sets Vanguard apart - and allows Vanguard to put investors first around the world - is the ownership structure of The Vanguard Group, Inc., in the United States.

Rather than being publicly traded or owned by a small group of individuals, the Vanguard Group is owned by Vanguard's US-domiciled funds and ETFs. Those funds, in turn, are owned by their investors.

This mutual structure aligns our interests with those of our investors and drives the culture, philosophy and policies throughout the Vanguard organisation worldwide. As a result, Australian investors benefit from Vanguard's stability and experience, low costs and client focus.

## Our investment expertise

When you invest with Vanguard, you have more than 40 years of investing experience behind you. So no matter which investment products suit your needs, you can feel confident that Vanguard investments are built on a rigorous investment philosophy that stands the test of time.

## Low-cost investing

We know we can't control the markets, but we can control the costs of investing. To that end, providing low-cost investments isn't a pricing strategy for us. It's how we do business.

We can keep costs low because of our unique ownership structure in the United States, which allows us to return profits to investors through lower costs.

# Directors' report

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Hedged) and ETFs (the "Funds") for the half-year ended 31 December 2020 was Vanguard Investments Australia Ltd (the "Responsible Entity").

The directors of Vanguard Investments Australia Ltd present their report together with the financial statements for the half-year ended 31 December 2020.

## Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds (with the exception of Vanguard Global Minimum Volatility Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. The Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

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

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

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

## Directors

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

J M Norris (Resigned 21 September 2020)

C Lui (Resigned 31 December 2020)

J Platt

F Kolimago

C McIsaac (Appointed 25 September 2020)

## Review and results of operations

The Funds invest in listed equity securities, listed unit trusts, unlisted unit trusts, fixed interest securities, derivatives and cash and cash equivalents. The investment policy of the Funds continues to be in accordance with the provisions of the Funds' Constitution.

## Results

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	31,629	19,802	206,348	62,193	151,471	102,786
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	35,075	-	-	-	49,118	-
Distribution (cents per unit)	7.2462	-	-	-	2.6801	-
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	-	-	50,531	-	-	-
Distribution (cents per unit)	-	-	305.1337	-	-	-

# Directors' report (continued)

## Review and results of operations (continued)

### Results (continued)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	166,457	66,834	2,077	1,960	1,008,128	446,481	249,026	136,895
<b>Distributions - Wholesale Class</b>								
Distribution paid and payable (\$'000)	-	-	569	131	-	-	-	-
Distribution (cents per unit)	-	-	6.2352	1.1829	-	-	-	-
<b>Distributions - ETF Class</b>								
Distribution paid and payable (\$'000)	1,007	382	625	127	-	-	-	-
Distribution (cents per unit)	34.4765	38.4661	304.2336	46.0156	-	-	-	-
<b>Distributions - AUD Class</b>								
Distribution paid and payable (\$'000)	-	-	-	-	458,373	-	-	-
Distribution (cents per unit)	-	-	-	-	7.1778	-	-	-
<b>Distributions - NZD Class</b>								
Distribution paid and payable (\$'000)	-	-	-	-	1,834	6,283	-	-
Distribution (cents per unit)	-	-	-	-	21.9526	9.1292	-	-
<b>Distributions - AUD Unhedged Class</b>								
Distribution paid and payable (\$'000)	3,091	2,309	-	-	-	-	4,849	6,389
Distribution (cents per unit)	0.7002	0.8028	-	-	-	-	0.9721	1.6899
<b>Distributions - AUD Hedged Class</b>								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	15,322	-
Distribution (cents per unit)	-	-	-	-	-	-	6.9388	-
<b>Distributions - NZD Hedged Class</b>								
Distribution paid and payable (\$'000)	21,774	-	-	-	-	-	44,017	-
Distribution (cents per unit)	3.8498	-	-	-	-	-	6.6385	-

### Significant changes in state of affairs

Jim Norris resigned as a Director of Vanguard Investments Australia Ltd on 21 September 2020.

Chris McIsaac was appointed as a Director of Vanguard Investments Australia Ltd on 25 September 2020.

Cynthia Lui resigned as a Director of Vanguard Investments Australia Ltd on 31 December 2020.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the Funds and thus performance of the Funds.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the half-year.

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

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:

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

## Directors' report (continued)

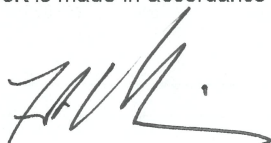
### Rounding of amounts to the nearest thousand dollars

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

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

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



F Kolimago

*Managing Director*

Melbourne

4 March 2021





## *Auditor's Independence Declaration*

- Vanguard Global Infrastructure Index Fund (Hedged)
- Vanguard MSCI Index International Shares (Hedged) ETF\*
- Vanguard International Property Securities Index Fund (Hedged)
- Vanguard Ethically Conscious International Shares Index Fund\*
- Vanguard Global Minimum Volatility Fund\*
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

referred to collectively as the Vanguard Wholesale International Equities Funds (Hedged) and ETFs.

\* denotes listed Funds

As lead auditor for the review of the Vanguard Wholesale International Equities Funds (Hedged) and ETFs for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'Britt Hawkins'.

Britt Hawkins  
Partner  
PricewaterhouseCoopers

Melbourne  
4 March 2021

# Statements of comprehensive income

For the half-year ended 31 December 2020

		Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Interest income		-	7	-	16	-	16
Distribution income		7,516	6,685	11,103	7,290	18,039	23,061
Net gains/(losses) on financial instruments at fair value through profit or loss		24,216	13,174	195,423	55,006	133,712	79,954
Other operating income		-	-	96	80	-	-
<b>Total net investment income/(loss)</b>		<b>31,732</b>	<b>19,866</b>	<b>206,622</b>	<b>62,392</b>	<b>151,751</b>	<b>103,031</b>
<b>Expenses</b>							
Responsible Entity's fees		87	56	223	121	243	235
Custody fees		14	8	29	18	23	10
Transaction costs		-	-	-	-	-	-
Other operating expenses		2	-	22	60	14	-
<b>Total operating expenses</b>		<b>103</b>	<b>64</b>	<b>274</b>	<b>199</b>	<b>280</b>	<b>245</b>
<b>Operating profit/(loss)</b>		<b>31,629</b>	<b>19,802</b>	<b>206,348</b>	<b>62,193</b>	<b>151,471</b>	<b>102,786</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	5	-	-	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders	4	-	-	-	-	-	-
<b>Profit/(loss) for the half-year</b>		<b>31,629</b>	<b>19,802</b>	<b>206,348</b>	<b>62,193</b>	<b>151,471</b>	<b>102,786</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>31,629</b>	<b>19,802</b>	<b>206,348</b>	<b>62,193</b>	<b>151,471</b>	<b>102,786</b>

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

# Statements of comprehensive income (continued)

For the half-year ended 31 December 2020

		Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Interest income		-	19	-	-	-	-	-	51
Dividend income		8,059	5,008	238	255	-	-	12,225	12,061
Distribution income		396	290	-	153	98,443	69,242	559	604
Net gains/(losses) on financial instruments at fair value through profit or loss		159,558	62,443	1,900	1,618	910,900	378,504	238,479	126,190
Other operating income		70	29	4	6	5	-	35	145
<b>Total net investment income/(loss)</b>		<b>168,083</b>	<b>67,789</b>	<b>2,142</b>	<b>2,032</b>	<b>1,009,348</b>	<b>447,746</b>	<b>251,298</b>	<b>139,051</b>
<b>Expenses</b>									
Responsible Entity's fees		1,405	745	40	42	1,066	889	2,034	1,783
Custody fees		72	61	16	10	52	34	95	51
Transaction costs		33	24	4	4	-	-	22	23
Other operating expenses		116	125	5	16	102	342	121	299
<b>Total operating expenses</b>		<b>1,626</b>	<b>955</b>	<b>65</b>	<b>72</b>	<b>1,220</b>	<b>1,265</b>	<b>2,272</b>	<b>2,156</b>
<b>Operating profit/(loss)</b>		<b>166,457</b>	<b>66,834</b>	<b>2,077</b>	<b>1,960</b>	<b>1,008,128</b>	<b>446,481</b>	<b>249,026</b>	<b>136,895</b>
<b>Finance costs attributable to unitholders</b>									
Distributions to unitholders	5	(25,872)	(2,691)	(1,194)	(258)	(460,207)	(6,283)	(64,188)	(6,389)
(Increase)/decrease in net assets attributable to unitholders	4	(140,585)	(64,143)	(883)	(1,702)	(547,921)	(440,198)	(184,838)	(130,506)
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Balance sheets

As at 31 December 2020

		Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)	
		31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		623	989	7,383	9,785	5,770	704
Margin accounts		83	131	2,330	1,971	561	162
Receivables		94	417	2,504	6	355	470
Accrued income		5,013	17,134	6,170	28,312	10,183	13,344
Financial assets at fair value through profit or loss		551,128	408,449	1,422,672	1,055,938	1,479,284	1,361,977
<b>Total assets</b>		<b>556,941</b>	<b>427,120</b>	<b>1,441,059</b>	<b>1,096,012</b>	<b>1,496,153</b>	<b>1,376,657</b>
<b>Liabilities</b>							
Margin accounts		-	-	33,846	30,484	-	-
Distribution payable	5	12,733	20,763	50,531	-	16,549	-
Payables		23	109	114	92	84	311
Due to brokers - payables for securities purchased		11,585	3,617	-	32,400	23,963	22,488
Financial liabilities at fair value through profit or loss		659	147	29,981	6,393	938	891
<b>Total liabilities</b>		<b>25,000</b>	<b>24,636</b>	<b>114,472</b>	<b>69,369</b>	<b>41,534</b>	<b>23,690</b>
<b>Net assets attributable to unitholders (equity)</b>	4	<b>531,941</b>	<b>402,484</b>	<b>1,326,587</b>	<b>1,026,643</b>	<b>1,454,619</b>	<b>1,352,967</b>

		Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents		17,094	11,419	248	353	21,376	38,919	40,173	22,689
Margin accounts		1,505	1,226	50	54	8,667	5,863	2,938	1,111
Receivables		7,420	1,641	39	39	2,033	1,724	1,678	1,593
Accrued income		1,112	727	41	58	70,512	183,637	1,103	1,151
Due from brokers - receivable for securities sold		72	5	-	-	64	-	138	2
Financial assets at fair value through profit or loss		1,479,411	1,030,301	22,822	27,242	6,622,566	5,433,013	1,926,453	1,589,164
<b>Total assets</b>		<b>1,506,614</b>	<b>1,045,319</b>	<b>23,200</b>	<b>27,746</b>	<b>6,725,218</b>	<b>5,663,156</b>	<b>1,972,483</b>	<b>1,615,710</b>
<b>Liabilities</b>									
Margin accounts		6,168	12,838	-	300	160,430	163,981	15,280	33,194
Distribution payable	5	20,314	1,585	593	378	232,763	107,537	40,535	8,062
Payables		325	209	6	7	40,041	59,280	504	482
Due to brokers - payables for securities purchased		4,584	4,952	-	-	-	37,976	7,001	14,611
Financial liabilities at fair value through profit or loss		9,433	3,568	88	28	154,920	34,445	19,682	7,258
<b>Total liabilities</b>		<b>40,824</b>	<b>23,152</b>	<b>687</b>	<b>713</b>	<b>588,154</b>	<b>403,219</b>	<b>83,002</b>	<b>63,607</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>1,465,790</b>	<b>1,022,167</b>	<b>22,513</b>	<b>27,033</b>	<b>6,137,064</b>	<b>5,259,937</b>	<b>1,889,481</b>	<b>1,552,103</b>

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

# Statements of changes in equity

For the half-year ended 31 December 2020

	Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>402,484</b>	301,058	<b>1,026,643</b>	620,365	<b>1,352,967</b>	1,340,428
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year		31,629	19,802	206,348	62,193	151,471	102,786
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>31,629</b>	19,802	<b>206,348</b>	62,193	<b>151,471</b>	102,786
<b>Transactions with unitholders</b>							
Applications		148,328	126,132	155,759	90,719	206,806	235,770
Redemptions		(43,969)	(16,048)	(11,632)	-	(225,645)	(87,530)
Units issued upon reinvestment of distributions		28,544	-	-	-	18,138	-
Distributions paid and payable	5	(35,075)	-	(50,531)	-	(49,118)	-
<b>Total transactions with unitholders</b>		<b>97,828</b>	110,084	<b>93,596</b>	90,719	<b>(49,819)</b>	148,240
<b>Total equity at the end of the half-year</b>		<b>531,941</b>	430,944	<b>1,326,587</b>	773,277	<b>1,454,619</b>	1,591,454

	Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		-	-	-	-	-	-	-	-
<b>Comprehensive income for the half-year</b>									
Profit/(loss) for the half-year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	-	-	-	-	-
<b>Transactions with unitholders</b>									
Applications		-	-	-	-	-	-	-	-
Redemptions		-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-	-	-
Distributions paid and payable	5	-	-	-	-	-	-	-	-
<b>Total transactions with unitholders</b>		-	-	-	-	-	-	-	-
<b>Total equity at the end of the half-year</b>		-	-	-	-	-	-	-	-

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

# Statements of cash flows

For the half-year ended 31 December 2020

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Notes						
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	75,798	4,095	279,897	73,568	292,398	20,539
Purchases of financial instruments at fair value through profit or loss	(166,056)	(115,245)	(422,948)	(162,678)	(253,446)	(174,874)
Interest received	-	7	3	75	-	19
Other income received	-	-	96	80	-	-
Responsible Entity's fees paid	(80)	(43)	(204)	(117)	(230)	(227)
Operating expenses paid	(18)	(9)	(50)	(91)	(37)	(12)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(90,356)</b>	<b>(111,195)</b>	<b>(143,206)</b>	<b>(89,163)</b>	<b>38,685</b>	<b>(154,555)</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	148,653	126,830	153,263	90,719	206,924	236,092
Payments for redemptions by unitholders	(44,062)	(16,029)	(11,632)	-	(225,888)	(88,188)
Distributions paid from operating activities	(14,561)	-	-	-	(14,431)	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>90,030</b>	<b>110,801</b>	<b>141,631</b>	<b>90,719</b>	<b>(33,395)</b>	<b>147,904</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(326)</b>	<b>(394)</b>	<b>(1,575)</b>	<b>1,556</b>	<b>5,290</b>	<b>(6,651)</b>
Cash and cash equivalents at the beginning of the half-year	989	837	9,785	2,658	704	7,890
Effects of foreign currency exchange rate changes on cash and cash equivalents	(40)	(13)	(827)	37	(224)	166
<b>Cash and cash equivalents at the end of the half-year</b>	<b>623</b>	<b>430</b>	<b>7,383</b>	<b>4,251</b>	<b>5,770</b>	<b>1,405</b>
Non-cash financing activities	28,544	-	-	-	18,138	-

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

# Statements of cash flows (continued)

For the half-year ended 31 December 2020

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>								
Proceeds from sale of financial instruments at fair value through profit or loss	90,731	34,333	14,559	10,909	988,329	234,023	148,856	104,703
Purchases of financial instruments at fair value through profit or loss	(381,373)	(270,533)	(8,387)	(13,299)	(977,549)	(459,682)	(260,661)	(283,236)
Transaction costs on purchases of financial instruments at fair value through profit or loss	(33)	(24)	(4)	(4)	-	-	(22)	(23)
Interest received	5	19	-	2	19	448	10	29
Dividends received	7,648	4,757	255	266	-	-	12,267	12,279
Distributions received	381	262	-	150	-	-	546	572
Other income received	70	29	5	7	5	-	35	134
Responsible Entity's fees paid	(1,312)	(690)	(41)	(41)	(997)	(869)	(1,965)	(1,714)
Operating expenses paid	(213)	(200)	(21)	(26)	(155)	(387)	(232)	(350)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(284,096)</b>	<b>(232,047)</b>	<b>6,366</b>	<b>(2,036)</b>	<b>9,652</b>	<b>(226,467)</b>	<b>(101,166)</b>	<b>(167,606)</b>
<b>Cash flows from financing activities</b>								
Proceeds from applications by unitholders	317,835	388,434	2,404	8,931	886,122	529,135	239,248	263,472
Payments for redemptions by unitholders	(25,628)	(149,144)	(8,148)	(7,037)	(785,896)	(291,596)	(112,804)	(96,343)
Distributions paid from operating activities	(2,007)	(420)	(639)	-	(125,617)	(13,545)	(5,726)	(2,557)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>290,200</b>	<b>238,870</b>	<b>(6,383)</b>	<b>1,894</b>	<b>(25,391)</b>	<b>223,994</b>	<b>120,718</b>	<b>164,572</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,104</b>	<b>6,823</b>	<b>(17)</b>	<b>(142)</b>	<b>(15,739)</b>	<b>(2,473)</b>	<b>19,552</b>	<b>(3,034)</b>
Cash and cash equivalents at the beginning of the half-year	11,419	6,841	353	490	38,919	33,608	22,689	14,032
Effects of foreign currency exchange rate changes on cash and cash equivalents	(429)	(158)	(88)	(34)	(1,804)	307	(2,068)	(896)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>17,094</b>	<b>13,506</b>	<b>248</b>	<b>314</b>	<b>21,376</b>	<b>31,442</b>	<b>40,173</b>	<b>10,102</b>
Non-cash financing activities	5,136	1,509	340	-	209,364	18,383	25,989	6,631

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

# Notes to the financial statements

For the half-year ended 31 December 2020

## 1 General information

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

- Vanguard Global Infrastructure Index Fund (Hedged) 26 October 2007
- Vanguard MSCI Index International Shares (Hedged) ETF 12 September 2013
- Vanguard International Property Securities Index Fund (Hedged) 30 June 2005
- Vanguard Ethically Conscious International Shares Index Fund 23 April 2018
- Vanguard Global Minimum Volatility Fund 12 September 2013
- Vanguard International Shares Index Fund (Hedged) 8 June 2000
- Vanguard International Shares Select Exclusions Index Fund 10 June 2016

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

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds’ Constitution. The Funds (with the exception of Vanguard Global Minimum Volatility Fund) seek to track the returns of the Funds’ respective indices, before taking into account fees, expenses and tax. The Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

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

The financial statements were authorised for issue by the directors on 4 March 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Basis of preparation of interim report

These interim general purpose financial statements for the half-year ended 31 December 2020 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made in the respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2020 that would be expected to have a material impact on the Funds.



# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement (continued)

### Recognised fair value measurements

The following tables present the Funds' financial assets and liabilities (by asset class) measured at fair value according to the fair value hierarchy at 31 December 2020 and 30 June 2020.

Vanguard Global Infrastructure Index Fund (Hedged)								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	14	21,241	-	21,255	10	15,799	-	15,809
Unlisted unit trusts	-	529,873	-	529,873	-	392,640	-	392,640
<b>Total</b>	<b>14</b>	<b>551,114</b>	<b>-</b>	<b>551,128</b>	<b>10</b>	<b>408,439</b>	<b>-</b>	<b>408,449</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	-	659	-	659	13	134	-	147
<b>Total</b>	<b>-</b>	<b>659</b>	<b>-</b>	<b>659</b>	<b>13</b>	<b>134</b>	<b>-</b>	<b>147</b>

Vanguard MSCI Index International Shares (Hedged) ETF								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	950	81,512	-	82,462	441	39,461	-	39,902
Unlisted unit trusts	-	1,273,111	-	1,273,111	-	973,737	-	973,737
Fixed interest securities*	-	67,099	-	67,099	-	42,299	-	42,299
<b>Total</b>	<b>950</b>	<b>1,421,722</b>	<b>-</b>	<b>1,422,672</b>	<b>441</b>	<b>1,055,497</b>	<b>-</b>	<b>1,055,938</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	36	29,945	-	29,981	87	6,306	-	6,393
<b>Total</b>	<b>36</b>	<b>29,945</b>	<b>-</b>	<b>29,981</b>	<b>87</b>	<b>6,306</b>	<b>-</b>	<b>6,393</b>

\*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Vanguard International Property Securities Index Fund (Hedged)								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	89	54,823	-	54,912	19	44,970	-	44,989
Unlisted unit trusts	-	1,424,372	-	1,424,372	-	1,316,988	-	1,316,988
<b>Total</b>	<b>89</b>	<b>1,479,195</b>	<b>-</b>	<b>1,479,284</b>	<b>19</b>	<b>1,361,958</b>	<b>-</b>	<b>1,361,977</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	34	904	-	938	-	891	-	891
<b>Total</b>	<b>34</b>	<b>904</b>	<b>-</b>	<b>938</b>	<b>-</b>	<b>891</b>	<b>-</b>	<b>891</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

Vanguard Ethically Conscious International Shares Index Fund								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	515	22,541	-	23,056	80	17,725	-	17,805
Equity securities	1,413,905	41	4	1,413,950	975,234	119	-	975,353
Listed unit trusts	31,402	-	-	31,402	24,680	-	-	24,680
Fixed interest securities*	-	11,003	-	11,003	-	12,463	-	12,463
<b>Total</b>	<b>1,445,822</b>	<b>33,585</b>	<b>4</b>	<b>1,479,411</b>	<b>999,994</b>	<b>30,307</b>	<b>-</b>	<b>1,030,301</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	-	9,433	-	9,433	25	3,543	-	3,568
<b>Total</b>	<b>-</b>	<b>9,433</b>	<b>-</b>	<b>9,433</b>	<b>25</b>	<b>3,543</b>	<b>-</b>	<b>3,568</b>

\*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Vanguard Global Minimum Volatility Fund								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	1	487	-	488	-	362	-	362
Equity securities	22,334	-	-	22,334	26,570	-	-	26,570
Listed unit trusts	-	-	-	-	310	-	-	310
<b>Total</b>	<b>22,335</b>	<b>487</b>	<b>-</b>	<b>22,822</b>	<b>26,880</b>	<b>362</b>	<b>-</b>	<b>27,242</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	-	88	-	88	2	26	-	28
<b>Total</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>88</b>	<b>2</b>	<b>26</b>	<b>-</b>	<b>28</b>

Vanguard International Shares Index Fund (Hedged)								
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	3,495	397,131	-	400,626	1,329	213,026	-	214,355
Unlisted unit trusts	-	5,934,940	-	5,934,940	-	5,027,958	-	5,027,958
Fixed interest securities*	-	287,000	-	287,000	-	190,700	-	190,700
<b>Total</b>	<b>3,495</b>	<b>6,619,071</b>	<b>-</b>	<b>6,622,566</b>	<b>1,329</b>	<b>5,431,684</b>	<b>-</b>	<b>5,433,013</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	116	154,804	-	154,920	233	34,212	-	34,445
<b>Total</b>	<b>116</b>	<b>154,804</b>	<b>-</b>	<b>154,920</b>	<b>233</b>	<b>34,212</b>	<b>-</b>	<b>34,445</b>

\*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard International Shares Select Exclusions Index Fund				30 Jun 2020			
	31 Dec 2020							
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	1,027	48,773	-	49,800	106	43,244	-	43,350
Equity securities	1,822,376	52	-	1,822,428	1,491,091	-	-	1,491,091
Listed unit trusts	38,093	-	-	38,093	36,028	-	-	36,028
Fixed interest securities*	-	16,132	-	16,132	-	18,695	-	18,695
<b>Total</b>	<b>1,861,496</b>	<b>64,957</b>	<b>-</b>	<b>1,926,453</b>	<b>1,527,225</b>	<b>61,939</b>	<b>-</b>	<b>1,589,164</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	40	19,642	-	19,682	20	7,238	-	7,258
<b>Total</b>	<b>40</b>	<b>19,642</b>	<b>-</b>	<b>19,682</b>	<b>20</b>	<b>7,238</b>	<b>-</b>	<b>7,258</b>

\*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

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

### Transfers between levels

The following table presents the transfers between levels during the half-year ended 31 December 2020 and 30 June 2020:

	Vanguard Ethically Conscious International Shares Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>31 Dec 2020</b>			
Transfers between level 2 and 3:			
Equity securities	-	(4)	4
<b>30 Jun 2020</b>			
Transfers between level 1 and 2:			
Equity securities	(119)	119	-

The equity securities transferred into level 2 relates to the frequency of quoted price valuations. Equity securities were classified as level 3 as they are infrequently traded, or have stale price. There were no transfers out of level 3 during the reporting period.

### Valuation processes

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

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

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	429,232	289,699	402,484	301,058	14,675	8,995	1,026,643	620,365
Applications	155,662	117,512	148,328	126,132	2,035	1,290	155,759	90,719
Redemptions	(46,079)	(15,058)	(43,969)	(16,048)	(150)	-	(11,632)	-
Units issued upon reinvestment of distributions	30,800	-	28,544	-	-	-	-	-
Distributions paid and payable	-	-	(35,075)	-	-	-	(50,531)	-
Profit/(loss) for the half-year	-	-	31,629	19,802	-	-	206,348	62,193
<b>Closing balance as at 31 December</b>	<b>569,615</b>	<b>392,153</b>	<b>531,941</b>	<b>430,944</b>	<b>16,560</b>	<b>10,285</b>	<b>1,326,587</b>	<b>773,277</b>

	Vanguard International Property Securities Index Fund (Hedged)			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	1,918,533	1,588,255	1,352,967	1,340,428
Applications	284,686	266,938	206,806	235,770
Redemptions	(312,827)	(98,713)	(225,645)	(87,530)
Units issued upon reinvestment of distributions	26,094	-	18,138	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-
Distributions paid and payable	-	-	(49,118)	-
Profit/(loss) for the half-year	-	-	151,471	102,786
<b>Closing balance as at 31 December</b>	<b>1,916,486</b>	<b>1,756,480</b>	<b>1,454,619</b>	<b>1,591,454</b>

	Vanguard Ethically Conscious International Shares Index Fund ETF Class				AUD Unhedged Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	2,196	575	122,045	29,594	353,064	96,937	421,889	106,757
Applications	1,065	685	63,931	37,970	123,703	214,318	157,217	243,835
Redemptions	-	(20)	-	(1,143)	(9,303)	(13,272)	(11,547)	(15,690)
Units issued upon reinvestment of distributions	3	-	153	20	1,437	1,314	1,768	1,489
Increase/(decrease) in net assets attributable to unitholders	-	-	6,432	3,511	-	-	25,702	24,862
<b>Closing balance as at 31 December</b>	<b>3,264</b>	<b>1,240</b>	<b>192,561</b>	<b>69,952</b>	<b>468,901</b>	<b>299,297</b>	<b>595,029</b>	<b>361,253</b>

	NZD Hedged Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	486,602	398,483	478,233	376,307
Applications	95,940	103,380	102,405	98,843
Redemptions	(12,852)	(139,134)	(14,104)	(132,311)
Units issued upon reinvestment of distributions	3,095	-	3,215	-
Increase/(decrease) in net assets attributable to unitholders	-	-	108,451	35,770
<b>Closing balance as at 31 December</b>	<b>572,785</b>	<b>362,729</b>	<b>678,200</b>	<b>378,609</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders (continued)

Vanguard Global Minimum Volatility Fund								
	Wholesale Class				ETF Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	12,131	13,823	14,890	18,080	230	185	12,143	10,395
Applications	1,458	2,573	1,863	3,559	10	90	542	5,252
Redemptions	(4,467)	(5,293)	(5,664)	(7,037)	(45)	-	(2,484)	-
Units issued upon reinvestment of distributions	248	-	306	-	1	-	34	-
Increase/(decrease) in net assets attributable to unitholders	-	-	501	869	-	-	382	833
<b>Closing balance as at 31 December</b>	<b>9,370</b>	<b>11,103</b>	<b>11,896</b>	<b>15,471</b>	<b>196</b>	<b>275</b>	<b>10,617</b>	<b>16,480</b>

Vanguard International Shares Index Fund (Hedged)								
	AUD Class				NZD Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	6,156,421	5,497,735	5,240,184	4,710,024	15,385	70,081	19,753	97,139
Applications	983,248	606,067	886,415	528,061	5	-	7	-
Redemptions	(833,784)	(268,734)	(756,309)	(234,644)	(7,683)	(44,566)	(10,271)	(55,596)
Units issued upon reinvestment of distributions	241,650	19,412	208,691	16,630	543	1,383	673	1,753
Increase/(decrease) in net assets attributable to unitholders	-	-	547,430	445,523	-	-	491	(5,325)
<b>Closing balance as at 31 December</b>	<b>6,547,535</b>	<b>5,854,480</b>	<b>6,126,411</b>	<b>5,465,594</b>	<b>8,250</b>	<b>26,898</b>	<b>10,653</b>	<b>37,971</b>

Vanguard International Shares Select Exclusions Index Fund								
	AUD Unhedged Class				AUD Hedged Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	451,618	344,634	579,226	437,457	191,966	126,401	205,116	132,402
Applications	65,783	90,907	90,472	121,764	60,989	61,899	68,277	66,248
Redemptions	(7,896)	(28,551)	(10,673)	(37,615)	(32,749)	(4,421)	(37,512)	(4,920)
Units issued upon reinvestment of distributions	6,229	5,147	8,046	6,631	6,451	-	7,099	-
Increase/(decrease) in net assets attributable to unitholders	-	-	42,907	36,089	-	-	24,203	16,330
<b>Closing balance as at 31 December</b>	<b>515,734</b>	<b>412,137</b>	<b>709,978</b>	<b>564,326</b>	<b>226,657</b>	<b>183,879</b>	<b>267,183</b>	<b>210,060</b>

	NZD Hedged Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	649,643	677,305	767,761	798,884
Applications	62,735	60,324	80,556	71,266
Redemptions	(50,713)	(44,206)	(64,569)	(53,608)
Units issued upon reinvestment of distributions	8,862	-	10,844	-
Increase/(decrease) in net assets attributable to unitholders	-	-	117,728	78,087
<b>Closing balance as at 31 December</b>	<b>670,527</b>	<b>693,423</b>	<b>912,320</b>	<b>894,629</b>

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard Global Infrastructure Index Fund (Hedged), Vanguard MSCI Index International Shares (Hedged) ETF and Vanguard International Property Securities Index Fund (Hedged) have no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders (continued)

### Capital risk management

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

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

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

## 5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	22,342	5.0107	-	-	-	-	-	-
Distributions payable								
- 31 December	12,733	2.2355	-	-	50,531	305.1337	-	-
	35,075	7.2462	-	-	50,531	305.1337	-	-

	Vanguard International Property Securities Index Fund (Hedged)			
	31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	32,569	1.8166	-	-
Distributions payable				
- 31 December	16,549	0.8635	-	-
	49,118	2.6801	-	-

	Vanguard Ethically Conscious International Shares Index Fund ETF Class				AUD Unhedged Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	351	15.4388	119	17.6690	1,337	0.3261	943	0.3465
Distributions payable								
- 31 December	656	19.0377	263	20.7971	1,754	0.3741	1,366	0.4563
	1,007	34.4765	382	38.4661	3,091	0.7002	2,309	0.8028

	NZD Hedged Class			
	31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	3,870	0.7240	-	-
Distributions payable				
- 31 December	17,904	3.1258	-	-
	21,774	3.8498	-	-

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

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

Vanguard Global Minimum Volatility Fund							
Wholesale Class				ETF Class			
31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid							
- 30 September	281	3.1557	-	-	320	149.1154	-
Distributions payable							
- 31 December	288	3.0795	131	1.1829	305	155.1182	127
	569	6.2352	131	1.1829	625	304.2336	127

Vanguard International Shares Index Fund (Hedged)							
AUD Class				NZD Class			
31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid							
- 30 September	226,504	3.6365	-	-	940	11.1129	-
- 14 August	-	-	-	-	-	6,283	9.1292
Distributions payable							
- 31 December	231,869	3.5413	-	-	894	10.8397	-
	458,373	7.1778	-	-	1,834	21.9526	6,283

Vanguard International Shares Select Exclusions Index Fund							
AUD Unhedged Class				AUD Hedged Class			
31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid							
- 30 September	1,763	0.3738	3,399	0.9643	8,378	3.8753	-
Distributions payable							
- 31 December	3,086	0.5983	2,990	0.7256	6,944	3.0635	-
	4,849	0.9721	6,389	1.6899	15,322	6.9388	-

				NZD Hedged Class			
		31 Dec 2020		31 Dec 2019			
		\$'000	CPU	\$'000	CPU		
Distributions paid							
- 30 September		13,512	2.0891	-	-		
Distributions payable							
- 31 December		30,505	4.5494	-	-		
		44,017	6.6385	-	-		

## 6 Events occurring after the reporting period

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 31 December 2020 or on the results and cash flows of the Funds for the half-year ended on that date.

## 7 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2020 (30 June 2020: Nil).



## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Funds' financial position as at 31 December 2020 and of their performance, as represented by the results of their operations for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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



F Kolimago  
*Managing Director*  
Melbourne  
4 March 2021



## Independent auditor's review report

To the unitholders of:

- Vanguard Global Infrastructure Index Fund (Hedged)
- Vanguard MSCI Index International Shares (Hedged) ETF\*
- Vanguard International Property Securities Index Fund (Hedged)
- Vanguard Ethically Conscious International Shares Index Fund\*
- Vanguard Global Minimum Volatility Fund\*
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

referred to collectively as the Vanguard Wholesale International Equities Funds (Hedged) and ETFs.

\* denotes listed Funds

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of the Vanguard Wholesale International Equities Funds (Hedged) and ETFs (the Funds) which comprises the balance sheets as at 31 December 2020, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors of the Responsible Entity' declaration.

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

1. giving a true and fair view of the Funds' financial positions as at 31 December 2020 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

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

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

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### *Responsibility of the directors of the Responsible Entity for the half-year financial report*

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial positions as at 31 December 2020 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Britt Hawkins*

Britt Hawkins  
Partner

Melbourne  
4 March 2021

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