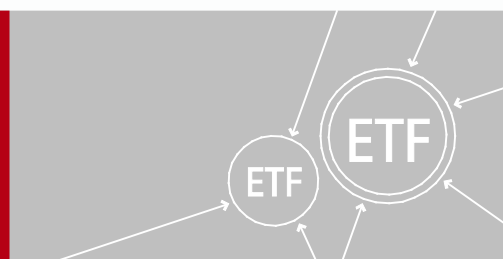




## Interim Report for the Vanguard® Exchange Traded Funds

14 March 2018



Vanguard Investments Australia Ltd announces the following:

| ETF   | ASX<br>CODE | ANNOUNCEMENT   |
|---|-------------|----------------|
| Vanguard Australian Shares Index ETF                        | VAS         | Interim Report |
| Vanguard Australian Property Securities Index ETF           | VAP         | Interim Report |
| Vanguard Australian Fixed Interest Index ETF                | VAF         | Interim Report |
| Vanguard Australian Government Bond Index ETF               | VGB         | Interim Report |
| Vanguard Australian Shares High Yield ETF                   | VHY         | Interim Report |
| Vanguard MSCI Australian Large Companies Index ETF          | VLC         | Interim Report |
| Vanguard FTSE Emerging Markets Shares ETF                   | VGE         | Interim Report |
| Vanguard MSCI Index International Shares ETF                | VGS         | Interim Report |
| Vanguard International Fixed Interest Index (Hedged) ETF    | VIF         | Interim Report |
| Vanguard International Credit Securities Index (Hedged) ETF | VCF         | Interim Report |
| Vanguard FTSE Asia ex Japan Shares Index ETF                | VAE         | Interim Report |
| Vanguard FTSE Europe Shares ETF                             | VEQ         | Interim Report |
| Vanguard MSCI Australian Small Companies Index ETF          | VSO         | Interim Report |
| Vanguard MSCI Index International Shares (Hedged) ETF       | VGAD        | Interim Report |
| Vanguard Australian Corporate Fixed Interest Index ETF      | VACF        | Interim Report |
| Vanguard Global Aggregate Bond Index (Hedged) ETF           | VBND        | Interim Report |

Vanguard has prepared an interim report for the half year ended 31 December 2017, 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/etf](http://vanguard.com.au/etf)

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**Interim report for the half year ended** 31 December 2017

## Vanguard® Wholesale (ETF) Funds

ASX Codes:

(VAE, VCF, VAF, VGB, VLC, VAP, VHY, VAS, VSO, VEQ, VBND, VGE, VGAD, VACF, VIF, VGS)

# Vanguard Wholesale (ETF) Funds

|  |                  |                    |
|--|------------------|--------------------|
| Vanguard FTSE Asia ex Japan Shares Index ETF                 | ARSN 606 451 110 | ABN 50 411 576 623 |
| Vanguard Australian Corporate Fixed Interest Index Fund      | ARSN 147 938 001 | ABN 51 978 865 366 |
| Vanguard Australian Fixed Interest Index Fund                | ARSN 090 939 941 | ABN 52 931 145 473 |
| Vanguard Australian Government Bond Index Fund               | ARSN 134 177 807 | ABN 23 499 844 319 |
| Vanguard MSCI Australian Large Companies Index ETF           | ARSN 147 936 105 | ABN 17 468 108 459 |
| Vanguard Australian Property Securities Index Fund           | ARSN 090 939 549 | ABN 27 186 332 271 |
| Vanguard Australian Shares High Yield Fund                   | ARSN 091 751 807 | ABN 61 324 061 551 |
| Vanguard Australian Shares Index Fund                        | ARSN 090 939 718 | ABN 65 759 271 740 |
| Vanguard MSCI Australian Small Companies Index ETF           | ARSN 147 936 570 | ABN 73 969 263 897 |
| Vanguard FTSE Europe Shares ETF                              | ARSN 606 480 086 | ABN 30 252 933 265 |
| Vanguard Global Aggregate Bond Index Fund (Hedged)           | ARSN 618 350 539 | ABN 14 933 513 845 |
| Vanguard FTSE Emerging Markets Shares ETF                    | ARSN 147 937 906 | ABN 91 542 729 566 |
| Vanguard MSCI Index International Shares (Hedged) ETF        | ARSN 165 786 989 | ABN 92 314 430 239 |
| Vanguard International Credit Securities Index Fund (Hedged) | ARSN 095 366 055 | ABN 15 118 646 737 |
| Vanguard International Fixed Interest Index Fund (Hedged)    | ARSN 090 940 337 | ABN 59 108 266 812 |
| Vanguard International Shares Index Fund                     | ARSN 090 939 610 | ABN 56 291 101 711 |

## Responsible Entity

Vanguard Investments Australia Ltd  
ABN 72 072 881 086  
AFSL 227263

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## Directors' report

The Responsible Entity of the Vanguard Wholesale (ETF) Funds (the "Funds") for the half-year ended 31 December 2017 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 2017.

### 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 Fund Constitutions. The Funds seek to track the returns of the Funds' respective indices, before taking into account Fund fees and expenses.

The Vanguard Global Aggregate Bond Index Fund (Hedged) inception date was 28 March 2017 and commenced trading on 13 July 2017.

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

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

G W Reed (Resigned 31 July 2017)

C R Comegys (Resigned 31 August 2017)

C Kelton

L Carr

C Lui (Appointed 31 August 2017)

J Platt (Appointed 31 October 2017)

### Review and results of operations

The Funds invest in listed equity securities, listed unit trusts, listed property trusts, unlisted unit trusts, fixed interest securities, money market securities, derivatives and cash and cash equivalents. The investment policy of the Funds continue to be in accordance with the provisions of the Fund Constitutions.

#### Results

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

|   | <b>Vanguard FTSE Asia<br/>ex Japan Shares<br/>Index ETF</b> |                        | <b>Vanguard Australian<br/>Corporate Fixed<br/>Interest Index Fund</b> |                        | <b>Vanguard Australian<br/>Fixed Interest<br/>Index Fund</b> |                        | <b>Vanguard Australian<br/>Government Bond<br/>Index Fund</b> |                        |
|---|---|------------------------|--|------------------------|--|------------------------|---|------------------------|
|   | <b>31 Dec<br/>2017</b>                                      | <b>31 Dec<br/>2016</b> | <b>31 Dec<br/>2017</b>   | <b>31 Dec<br/>2016</b> | <b>31 Dec<br/>2017</b>                                       | <b>31 Dec<br/>2016</b> | <b>31 Dec<br/>2017</b>  | <b>31 Dec<br/>2016</b> |
| Operating profit/(loss) before finance costs attributable to unitholders (\$'000) | <b>4,107</b>  | 1,411                  | <b>2,897</b>   | (333)                  | <b>70,351</b>  | (97,934)               | <b>5,362</b>  | (11,769)               |
| <i>Distributions - Ordinary Class</i>   |   |                        |  |                        |  |                        |   |                        |
| Distribution paid and payable (\$'000)  | -   | -                      | <b>1,199</b>   | 1,011                  | <b>69,818</b>  | 66,810                 | <b>4,231</b>  | 3,917                  |
| Distribution (cents per unit)   | -   | -                      | <b>1.2174</b>  | 1.3472                 | <b>1.6122</b>  | 1.8273                 | <b>1.2550</b>   | 1.3245                 |
| <i>Distributions - ETF Class</i>  |   |                        |  |                        |  |                        |   |                        |
| Distribution paid and payable (\$'000)  | <b>569</b>  | 356                    | <b>864</b>   | 283                    | <b>9,954</b>   | 9,130                  | <b>1,690</b>  | 1,643                  |
| Distribution (cents per unit)   | <b>89.7902</b>  | 77.2881                | <b>58.4310</b>   | 67.9067                | <b>71.5112</b>   | 80.5812                | <b>61.2206</b>  | 64.9104                |

## Directors' report (continued)

### Review and results of operations (continued)

#### Results (continued)

|   | Vanguard MSCI Australian Large Companies Index ETF    |             | Vanguard Australian Property Securities Index Fund           |             | Vanguard Australian Shares High Yield Fund                |             | Vanguard Australian Shares Index Fund     |             |
|---|---|-------------|--|-------------|---|-------------|---|-------------|
|   | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017  | 31 Dec 2016 | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017                               | 31 Dec 2016 |
| Operating profit/(loss) before finance costs attributable to unitholders (\$'000) | 5,013   | 6,965       | 446,236  | (173,141)   | 87,728  | 166,485     | 931,366                                   | 894,297     |
| <i>Distributions - Ordinary Class</i>   |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | -   | -           | 32,492   | 83,773      | 32,534  | 32,700      | 214,950                                   | 213,858     |
| Distribution (cents per unit)   | -   | -           | 0.8324   | 2.1052      | 5.4892  | 5.6312      | 5.1335                                    | 5.5351      |
| <i>Distributions - ETF Class</i>  |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | 2,228   | 1,930       | 7,538  | 16,517      | 30,965  | 26,634      | 56,698                                    | 48,684      |
| Distribution (cents per unit)   | 177.3827  | 174.2406    | 60.5237  | 173.7162    | 196.4867  | 224.3036    | 168.9800                                  | 194.7935    |
|   | Vanguard MSCI Australian Small Companies Index ETF    |             | Vanguard FTSE Europe Shares ETF                              |             | Vanguard Global Aggregate Bond Index Fund (Hedged)        |             | Vanguard FTSE Emerging Markets Shares ETF |             |
|   | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017  | 31 Dec 2016 | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017                               | 31 Dec 2016 |
| Operating profit/(loss) before finance costs attributable to unitholders (\$'000) | 15,513  | 5,124       | 6,752  | 400         | 36,700  | -           | 14,456                                    | 3,059       |
| <i>Distributions - Ordinary Class</i>   |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | -   | -           | -  | -           | 25,869  | -           | -   | -           |
| Distribution (cents per unit)   | -   | -           | -  | -           | 1.0864  | -           | -   | -           |
| <i>Distributions - ETF Class</i>  |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | 1,457   | 1,072       | 978  | 49          | 17  | -           | 1,920                                     | 790         |
| Distribution (cents per unit)   | 57.3724   | 72.7246     | 40.3118  | 41.2954     | 18.5328   | -           | 79.0984                                   | 68.0937     |
|   | Vanguard MSCI Index International Shares (Hedged) ETF |             | Vanguard International Credit Securities Index Fund (Hedged) |             | Vanguard International Fixed Interest Index Fund (Hedged) |             | Vanguard International Shares Index Fund  |             |
|   | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017  | 31 Dec 2016 | 31 Dec 2017   | 31 Dec 2016 | 31 Dec 2017                               | 31 Dec 2016 |
| Operating profit/(loss) before finance costs attributable to unitholders (\$'000) | 31,205  | 12,358      | 19,396   | (7,708)     | 24,056  | (63,799)    | 1,109,955                                 | 1,110,526   |
| <i>Distributions - Ordinary Class</i>   |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | -   | -           | 18,553   | -           | 35,877  | -           | 122,812                                   | 123,856     |
| Distribution (cents per unit)   | -   | -           | 3.1678   | -           | 2.6426  | -           | 1.9715                                    | 1.9844      |
| <i>Distributions - ETF Class</i>  |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | 3,650   | -           | 4,213  | -           | 4,284   | -           | 6,428                                     | 3,279       |
| Distribution (cents per unit)   | 63.2913   | -           | 170.2058   | -           | 136.3315  | -           | 54.1179                                   | 60.4449     |
| <i>Distributions - B Class</i>  |   |             |  |             |   |             |   |             |
| Distribution paid and payable (\$'000)  | -   | -           | -  | -           | -   | -           | 2,736                                     | 1,410       |
| Distribution (cents per unit)   | -   | -           | -  | -           | -   | -           | 52.8972                                   | 60.3091     |

## Directors' report (continued)

### Significant changes in state of affairs

The Vanguard Global Aggregate Bond Index Fund (Hedged) inception date was 28 March 2017 and commenced trading on 13 July 2017.

Glenn Reed resigned as a Director of Vanguard Investments Australia Ltd on 31 July 2017.

Rodney Comegys resigned as a Director of Vanguard Investments Australia Ltd on 31 August 2017.

Cynthia Lui was appointed as a Director of Vanguard Investments Australia Ltd on 31 August 2017.

Johanna Platt was appointed as a Director of Vanguard Investments Australia Ltd on 31 October 2017.

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

### 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 4.

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



C Kelton  
Managing Director

Melbourne  
8 March 2018



## Auditor's Independence Declaration for the Vanguard Wholesale (ETF) Funds

- Vanguard FTSE Asia ex Japan Shares Index ETF
- Vanguard Australian Corporate Fixed Interest Index Fund
- Vanguard Australian Fixed Interest Index Fund
- Vanguard Australian Government Bond Index Fund
- Vanguard MSCI Australian Large Companies Index ETF
- Vanguard Australian Property Securities Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard Australian Shares Index Fund
- Vanguard MSCI Australian Small Companies Index ETF
- Vanguard FTSE Europe Shares ETF
- Vanguard Global Aggregate Bond Index (Hedged) Fund
- Vanguard FTSE Emerging Markets Shares ETF
- Vanguard MSCI Index International Shares (Hedged) ETF
- Vanguard International Credit Securities Index Fund (Hedged)
- Vanguard International Fixed Interest Index Fund (Hedged)
- Vanguard International Shares Index Fund

collectively referred to as "the Funds".

As lead auditor for the review of the Funds for the half-year ended 31 December 2017, 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.

Britt Hawkins  
Partner  
PricewaterhouseCoopers

Melbourne  
8 March 2018



**Vanguard Wholesale (ETF) Funds**  
**Statements of comprehensive income**  
For the half-year ended 31 December 2017

**Statements of comprehensive income**

|   |      | Vanguard FTSE Asia<br>ex Japan Shares<br>Index ETF |                | Vanguard Australian<br>Corporate Fixed<br>Interest Index Fund |                | Vanguard Australian<br>Fixed Interest<br>Index Fund |                 | Vanguard Australian<br>Government Bond<br>Index Fund |                 |
|---|------|--|----------------|---|----------------|---|-----------------|--|-----------------|
|   |      | 31 Dec<br>2017                                     | 31 Dec<br>2016 | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017                                      | 31 Dec<br>2016  | 31 Dec<br>2017                                       | 31 Dec<br>2016  |
|   | Note | \$'000   | \$'000         | \$'000  | \$'000         | \$'000  | \$'000          | \$'000   | \$'000          |
| <b>Investment income</b>  |      |  |                |   |                |   |                 |  |                 |
| Dividend income   |      | 522  | 282            | -   | -              | -   | -               | -  | -               |
| Distribution income   |      | 7  | 6              | -   | -              | -   | -               | -  | -               |
| Net gains/(losses) on financial<br>instruments held at fair value<br>through profit or loss |      | 3,590  | 1,177          | 3,029   | (241)          | 76,876  | (92,602)        | 6,016  | (11,207)        |
| Other operating income  |      | 109  | -              | 87  | 44             | 22  | 183             | 3  | 18              |
| <b>Total net investment income/(loss)</b>   |      | <b>4,228</b>                                       | <b>1,465</b>   | <b>3,116</b>  | <b>(197)</b>   | <b>76,898</b>                                       | <b>(92,419)</b> | <b>6,019</b>   | <b>(11,189)</b> |
| <b>Expenses</b>   |      |  |                |   |                |   |                 |  |                 |
| Responsible Entity's fees   |      | 73   | 47             | 214   | 132            | 6,541   | 5,509           | 655  | 577             |
| Custody fees  |      | 33   | 5              | 5   | 4              | 6   | 5               | 2  | 3               |
| Transaction costs   |      | 14   | -              | -   | -              | -   | -               | -  | -               |
| Other operating expenses  |      | 1  | 2              | -   | -              | -   | 1               | -  | -               |
| <b>Total operating expenses</b>   |      | <b>121</b>   | <b>54</b>      | <b>219</b>  | <b>136</b>     | <b>6,547</b>  | <b>5,515</b>    | <b>657</b>   | <b>580</b>      |
| <b>Operating profit/(loss)</b>  |      | <b>4,107</b>                                       | <b>1,411</b>   | <b>2,897</b>  | <b>(333)</b>   | <b>70,351</b>                                       | <b>(97,934)</b> | <b>5,362</b>   | <b>(11,769)</b> |
| <b>Finance costs attributable to<br/>unitholders</b>  |      |  |                |   |                |   |                 |  |                 |
| Distributions to unitholders  | 5    | -  | (356)          | (2,063)   | (1,294)        | (79,772)  | (75,940)        | (5,921)  | (5,560)         |
| (Increase)/decrease in net assets<br>attributable to unitholders                            | 4    | -  | (1,055)        | (834)   | 1,627          | 9,421   | 173,874         | 559  | 17,329          |
| <b>Profit/(loss) for the half-year</b>  |      | <b>4,107</b>                                       | <b>-</b>       | <b>-</b>  | <b>-</b>       | <b>-</b>  | <b>-</b>        | <b>-</b>   | <b>-</b>        |
| Other comprehensive income  |      | -  | -              | -   | -              | -   | -               | -  | -               |
| <b>Total comprehensive income for the<br/>half-year *</b>                                   |      | <b>4,107</b>                                       | <b>-</b>       | <b>-</b>  | <b>-</b>       | <b>-</b>  | <b>-</b>        | <b>-</b>   | <b>-</b>        |

\* Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the statement of changes in equity for the half-year ended 31 December 2017.

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of comprehensive income**  
For the half-year ended 31 December 2017

**Statements of comprehensive income**

|   |      | Vanguard MSCI Australian<br>Large Companies<br>Index ETF |                | Vanguard Australian<br>Property Securities<br>Index Fund |                  | Vanguard<br>Australian Shares<br>High Yield Fund |                | Vanguard<br>Australian Shares<br>Index Fund |                |
|---|------|--|----------------|--|------------------|--|----------------|---|----------------|
|   |      | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016   | 31 Dec<br>2017                                   | 31 Dec<br>2016 | 31 Dec<br>2017                              | 31 Dec<br>2016 |
|   | Note | \$'000   | \$'000         | \$'000   | \$'000           | \$'000   | \$'000         | \$'000                                      | \$'000         |
| <b>Investment income</b>  |      |  |                |  |                  |  |                |   |                |
| Interest income   |      | -  | -              | -  | -                | 27   | 32             | 363   | 457            |
| Dividend income   |      | 1,632  | 1,280          | 1,452  | 2,479            | 51,156   | 39,226         | 210,072                                     | 174,962        |
| Distribution income   |      | 181  | 151            | 116,756  | 108,610          | 3,814  | 8,162          | 31,856                                      | 28,161         |
| Net gains/(losses) on financial<br>instruments held at fair value<br>through profit or loss |      | 3,283  | 5,597          | 333,812  | (278,371)        | 35,985   | 121,623        | 698,957                                     | 698,521        |
| Other operating income  |      | 1  | 2              | 9  | 16               | 22   | 144            | 45  | 638            |
| <b>Total net investment income/(loss)</b>   |      | <b>5,097</b>   | <b>7,030</b>   | <b>452,029</b>   | <b>(167,266)</b> | <b>91,004</b>                                    | <b>169,187</b> | <b>941,293</b>                              | <b>902,739</b> |
| <b>Expenses</b>   |      |  |                |  |                  |  |                |   |                |
| Responsible Entity's fees   |      | 75   | 63             | 5,504  | 5,596            | 3,012  | 2,542          | 9,607                                       | 8,222          |
| Custody fees  |      | 3  | 1              | 15   | 9                | 15   | 8              | 65  | 40             |
| Transaction costs   |      | 1  | -              | 115  | 51               | 249  | 118            | 255   | 123            |
| Other operating expenses  |      | 5  | 1              | 159  | 219              | -  | 34             | -   | 57             |
| <b>Total operating expenses</b>   |      | <b>84</b>  | <b>65</b>      | <b>5,793</b>   | <b>5,875</b>     | <b>3,276</b>                                     | <b>2,702</b>   | <b>9,927</b>                                | <b>8,442</b>   |
| <b>Operating profit/(loss)</b>  |      | <b>5,013</b>   | <b>6,965</b>   | <b>446,236</b>   | <b>(173,141)</b> | <b>87,728</b>                                    | <b>166,485</b> | <b>931,366</b>                              | <b>894,297</b> |
| <b>Finance costs attributable to unitholders</b>  |      |  |                |  |                  |  |                |   |                |
| Distributions to unitholders  | 5    | -  | (1,930)        | (40,030)   | (100,290)        | (63,499)   | (59,334)       | (271,648)                                   | (262,542)      |
| (Increase)/decrease in net assets<br>attributable to unitholders                            | 4    | -  | (5,035)        | (406,206)  | 273,431          | (24,229)   | (107,151)      | (659,718)                                   | (631,755)      |
| <b>Profit/(loss) for the half-year</b>  |      | <b>5,013</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>5,013</b>   | <b>-</b>       | <b>-</b>   | <b>-</b>         | <b>-</b>   | <b>-</b>       | <b>-</b>                                    | <b>-</b>       |

\* Effective from 1 July 2017, Vanguard MSCI Australian Large Companies Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the statement of changes in equity for the half-year ended 31 December 2017.

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of comprehensive income**  
For the half-year ended 31 December 2017

**Statements of comprehensive income**

|   |      | Vanguard MSCI Australian<br>Small Companies<br>Index ETF |                | Vanguard<br>FTSE Europe<br>Shares ETF |                | Vanguard Global<br>Aggregate Bond<br>Index Fund (Hedged) |                | Vanguard FTSE<br>Emerging Markets<br>Shares ETF |                |
|---|------|--|----------------|---------------------------------------|----------------|--|----------------|---|----------------|
|   |      | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017                        | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017                                  | 31 Dec<br>2016 |
|   | Note | \$'000   | \$'000         | \$'000                                | \$'000         | \$'000   | \$'000         | \$'000  | \$'000         |
| <b>Investment income</b>  |      |  |                |                                       |                |  |                |   |                |
| Interest income   |      | -  | -              | 1                                     | -              | -  | -              | 2   | 1              |
| Dividend income   |      | 1,482  | 862            | -                                     | -              | -  | -              | -   | -              |
| Distribution income   |      | 403  | 223            | 993                                   | 57             | -  | -              | 2,085   | 888            |
| Net gains/(losses) on financial<br>instruments held at fair value<br>through profit or loss |      | 13,782   | 4,141          | 5,874                                 | 351            | 39,146   | -              | 12,596  | 2,263          |
| Other operating income  |      | 32   | 14             | 26                                    | -              | 155  | -              | 26  | 10             |
| <b>Total net investment income/(loss)</b>   |      | <b>15,699</b>  | <b>5,240</b>   | <b>6,894</b>                          | <b>408</b>     | <b>39,301</b>  | <b>-</b>       | <b>14,709</b>                                   | <b>3,162</b>   |
| <b>Expenses</b>   |      |  |                |                                       |                |  |                |   |                |
| Responsible Entity's fees   |      | 169  | 103            | 139                                   | 8              | 2,573  | -              | 245   | 100            |
| Custody fees  |      | 13   | 11             | 1                                     | -              | 28   | -              | 1   | -              |
| Transaction costs   |      | 3  | 1              | 2                                     | -              | -  | -              | 7   | 2              |
| Other operating expenses  |      | 1  | 1              | -                                     | -              | -  | -              | -   | 1              |
| <b>Total operating expenses</b>   |      | <b>186</b>   | <b>116</b>     | <b>142</b>                            | <b>8</b>       | <b>2,601</b>   | <b>-</b>       | <b>253</b>                                      | <b>103</b>     |
| <b>Operating profit/(loss)</b>  |      | <b>15,513</b>  | <b>5,124</b>   | <b>6,752</b>                          | <b>400</b>     | <b>36,700</b>  | <b>-</b>       | <b>14,456</b>                                   | <b>3,059</b>   |
| <b>Finance costs attributable to<br/>unitholders</b>  |      |  |                |                                       |                |  |                |   |                |
| Distributions to unitholders  | 5    | -  | (1,072)        | -                                     | (49)           | (25,886)   | -              | -   | (790)          |
| (Increase)/decrease in net assets<br>attributable to unitholders                            | 4    | -  | (4,052)        | -                                     | (351)          | (10,814)   | -              | -   | (2,269)        |
| <b>Profit/(loss) for the half-year</b>  |      | <b>15,513</b>  | <b>-</b>       | <b>6,752</b>                          | <b>-</b>       | <b>-</b>   | <b>-</b>       | <b>14,456</b>                                   | <b>-</b>       |
| Other comprehensive income  |      | -  | -              | -                                     | -              | -  | -              | -   | -              |
| <b>Total comprehensive income for the<br/>half-year *</b>                                   |      | <b>15,513</b>  | <b>-</b>       | <b>6,752</b>                          | <b>-</b>       | <b>-</b>   | <b>-</b>       | <b>14,456</b>                                   | <b>-</b>       |

\* Effective from 1 July 2017, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF and Vanguard FTSE Emerging Markets Shares ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the statement of changes in equity for the half-year ended 31 December 2017.

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of comprehensive income**  
For the half-year ended 31 December 2017

**Statements of comprehensive income**

|   |      | Vanguard MSCI Index<br>International Shares<br>(Hedged) ETF |                          | Vanguard International<br>Credit Securities<br>Index Fund (Hedged) |                          | Vanguard International<br>Fixed Interest<br>Index Fund (Hedged) |                          | Vanguard<br>International Shares<br>Index Fund |                          |
|---|------|---|--------------------------|--|--------------------------|---|--------------------------|--|--------------------------|
|   | Note | 31 Dec<br>2017<br>\$'000                                    | 31 Dec<br>2016<br>\$'000 | 31 Dec<br>2017<br>\$'000   | 31 Dec<br>2016<br>\$'000 | 31 Dec<br>2017<br>\$'000  | 31 Dec<br>2016<br>\$'000 | 31 Dec<br>2017<br>\$'000                       | 31 Dec<br>2016<br>\$'000 |
| <b>Investment income</b>  |      |   |                          |  |                          |   |                          |  |                          |
| Interest income   |      | 90  | 9                        | -  | -                        | -   | -                        | 119  | 109                      |
| Dividend income   |      | -   | -                        | -  | -                        | -   | -                        | 117,266  | 119,992                  |
| Distribution income   |      | 2,735   | 1,410                    | -  | -                        | -   | -                        | 6,055  | 5,537                    |
| Net gains/(losses) on financial<br>instruments held at fair value<br>through profit or loss |      | 28,320  | 10,927                   | 20,669   | (5,714)                  | 26,385  | (60,304)                 | 998,929  | 992,303                  |
| Other operating income  |      | 148   | 56                       | 149  | 217                      | 130   | 37                       | 570  | 4,119                    |
| <b>Total net investment income/(loss)</b>   |      | <b>31,293</b>   | <b>12,402</b>            | <b>20,818</b>  | <b>(5,497)</b>           | <b>26,515</b>   | <b>(60,267)</b>          | <b>1,122,939</b>                               | <b>1,122,060</b>         |
| <b>Expenses</b>   |      |   |                          |  |                          |   |                          |  |                          |
| Responsible Entity's fees   |      | 59  | 36                       | 1,369  | 2,172                    | 2,378   | 3,516                    | 11,970   | 11,067                   |
| Custody fees  |      | 29  | 8                        | 31   | 18                       | 50  | 16                       | 36   | 36                       |
| Transaction costs   |      | -   | -                        | -  | -                        | -   | -                        | 944  | 130                      |
| Other operating expenses  |      | -   | -                        | 22   | 21                       | 31  | -                        | 34   | 301                      |
| <b>Total operating expenses</b>   |      | <b>88</b>   | <b>44</b>                | <b>1,422</b>   | <b>2,211</b>             | <b>2,459</b>  | <b>3,532</b>             | <b>12,984</b>                                  | <b>11,534</b>            |
| <b>Operating profit/(loss)</b>  |      | <b>31,205</b>   | <b>12,358</b>            | <b>19,396</b>  | <b>(7,708)</b>           | <b>24,056</b>   | <b>(63,799)</b>          | <b>1,109,955</b>                               | <b>1,110,526</b>         |
| <b>Finance costs attributable to<br/>unitholders</b>  |      |   |                          |  |                          |   |                          |  |                          |
| Distributions to unitholders  | 5    | -   | -                        | (22,766)   | -                        | (40,161)  | -                        | (131,976)                                      | (128,545)                |
| (Increase)/decrease in net assets<br>attributable to unitholders                            | 4    | -   | (12,358)                 | 3,370  | 7,708                    | 16,105  | 63,799                   | (977,979)                                      | (981,981)                |
| <b>Profit/(loss) for the half-year</b>  |      | <b>31,205</b>   | <b>-</b>                 | <b>-</b>   | <b>-</b>                 | <b>-</b>  | <b>-</b>                 | <b>-</b>                                       | <b>-</b>                 |
| Other comprehensive income  |      | -   | -                        | -  | -                        | -   | -                        | -  | -                        |
| <b>Total comprehensive income for the<br/>half-year *</b>                                   |      | <b>31,205</b>   | <b>-</b>                 | <b>-</b>   | <b>-</b>                 | <b>-</b>  | <b>-</b>                 | <b>-</b>                                       | <b>-</b>                 |

\* Effective from 1 July 2017, Vanguard MSCI Index International Shares (Hedged) ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the statement of changes in equity for the half-year ended 31 December 2017.

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

## Balance sheets

|   |      | Vanguard FTSE Asia<br>ex Japan Shares<br>Index ETF |                | Vanguard Australian<br>Corporate Fixed<br>Interest Index Fund |                | Vanguard Australian<br>Fixed Interest<br>Index Fund |                  | Vanguard Australian<br>Government Bond<br>Index Fund |                |
|---|------|--|----------------|---|----------------|---|------------------|--|----------------|
|   |      | 31 Dec<br>2017                                     | 30 Jun<br>2017 | 31 Dec<br>2017  | 30 Jun<br>2017 | 31 Dec<br>2017                                      | 30 Jun<br>2017   | 31 Dec<br>2017                                       | 30 Jun<br>2017 |
|   | Note | \$'000   | \$'000         | \$'000  | \$'000         | \$'000  | \$'000           | \$'000   | \$'000         |
| <b>Assets</b>   |      |  |                |   |                |   |                  |  |                |
| Cash and cash equivalents   |      | 677  | 200            | 1,455   | 2,562          | 16,152  | 53,787           | (3,713)  | 544            |
| Margin accounts   |      | 52   | 30             | 40  | 55             | 849   | 278              | 135  | 107            |
| Receivables   |      | 17   | 13             | 16  | 541            | 1,462   | 7,494            | 21   | 313            |
| Accrued income  |      | 79   | 127            | 54  | 15             | 161   | 224              | 1  | 1              |
| Due from brokers - receivable for securities sold   |      | -  | 95             | 2,663   | -              | 39,696  | 64,851           | 9,934  | 5,230          |
| Financial assets held at fair value through profit or loss                                |      | 51,598   | 27,290         | 190,714   | 100,089        | 5,547,791   | 5,555,238        | 480,690  | 491,401        |
| <b>Total assets</b>   |      | <b>52,423</b>                                      | <b>27,755</b>  | <b>194,942</b>  | <b>103,262</b> | <b>5,606,111</b>                                    | <b>5,681,872</b> | <b>487,068</b>                                       | <b>497,596</b> |
| <b>Liabilities</b>  |      |  |                |   |                |   |                  |  |                |
| Distribution payable  | 5    | 174  | 420            | 1,273   | 887            | 47,691  | 40,278           | 3,453  | 3,412          |
| Payables  |      | 17   | 9              | 45  | 22             | 9,380   | 3,099            | 115  | 212            |
| Due to brokers - payables for securities purchased  |      | 2  | -              | 2,393   | 1,678          | 23,679  | 122,335          | 1,281  | 5,683          |
| Financial liabilities held at fair value through profit or loss                           |      | -  | -              | 1   | 5              | -   | 131              | 8  | -              |
| <b>Total liabilities (30 June 2017: excluding net assets attributable to unitholders)</b> |      | <b>193</b>   | <b>429</b>     | <b>3,712</b>  | <b>2,592</b>   | <b>80,750</b>                                       | <b>165,843</b>   | <b>4,857</b>   | <b>9,307</b>   |
| <b>Net assets attributable to unitholders (equity) *</b>                                  | 4    | <b>52,230</b>                                      | <b>-</b>       | <b>-</b>  | <b>-</b>       | <b>-</b>  | <b>-</b>         | <b>-</b>   | <b>-</b>       |
| <b>Net assets attributable to unitholders (liability) *</b>                               | 4    | <b>-</b>   | <b>27,326</b>  | <b>191,230</b>  | <b>100,670</b> | <b>5,525,361</b>                                    | <b>5,516,029</b> | <b>482,211</b>                                       | <b>488,289</b> |

\* Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further details.

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

## Balance sheets

|   |      | Vanguard MSCI Australian<br>Large Companies<br>Index ETF |                | Vanguard Australian<br>Property Securities<br>Index Fund |                  | Vanguard<br>Australian Shares<br>High Yield Fund |                  | Vanguard<br>Australian Shares<br>Index Fund |                   |
|---|------|--|----------------|--|------------------|--|------------------|---|-------------------|
|   |      | 31 Dec<br>2017   | 30 Jun<br>2017 | 31 Dec<br>2017   | 30 Jun<br>2017   | 31 Dec<br>2017                                   | 30 Jun<br>2017   | 31 Dec<br>2017                              | 30 Jun<br>2017    |
|   | Note | \$'000   | \$'000         | \$'000   | \$'000           | \$'000   | \$'000           | \$'000                                      | \$'000            |
| <b>Assets</b>   |      |  |                |  |                  |  |                  |   |                   |
| Cash and cash equivalents   |      | 92   | (513)          | (28,194)   | 32,058           | 51,446   | 28,695           | 78,015                                      | 85,627            |
| Margin accounts   |      | 5  | 23             | 259  | 1,636            | 2,333  | 1,625            | 3,019                                       | 5,986             |
| Receivables   |      | 2  | 2              | 1,027  | 2,940            | 230  | 1,138            | 3,284                                       | 21,483            |
| Accrued income  |      | 119  | 711            | 76,938   | 79,098           | 3,132  | 16,677           | 23,906                                      | 84,560            |
| Due from brokers - receivable for securities sold   |      | 618  | 344            | 33,658   | 34,727           | 654  | 11,452           | 9,871                                       | 167               |
| Financial assets held at fair value through profit or loss                                |      | 81,282   | 70,986         | 4,971,216  | 4,643,312        | 1,965,260  | 1,727,426        | 12,023,288                                  | 10,276,000        |
| <b>Total assets</b>   |      | <b>82,118</b>  | <b>71,553</b>  | <b>5,054,904</b>   | <b>4,793,771</b> | <b>2,023,055</b>                                 | <b>1,787,013</b> | <b>12,141,383</b>                           | <b>10,473,823</b> |
| <b>Liabilities</b>  |      |  |                |  |                  |  |                  |   |                   |
| Distribution payable  | 5    | 770  | 407            | 12,968   | 54,291           | 23,805   | 48,097           | 105,792                                     | 158,498           |
| Payables  |      | 14   | 13             | 2,296  | 54,592           | 1,268  | 627              | 33,059                                      | 3,692             |
| Due to brokers - payables for securities purchased  |      | -  | -              | 39,177   | 9,534            | 5,402  | 8,495            | 25,573                                      | 20,496            |
| Financial liabilities held at fair value through profit or loss                           |      | -  | -              | 37   | 1,133            | 68   | -                | -   | 795               |
| <b>Total liabilities (30 June 2017: excluding net assets attributable to unitholders)</b> |      | <b>784</b>   | <b>420</b>     | <b>54,478</b>  | <b>119,550</b>   | <b>30,543</b>                                    | <b>57,219</b>    | <b>164,424</b>                              | <b>183,481</b>    |
| <b>Net assets attributable to unitholders (equity) *</b>                                  | 4    | <b>81,334</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>         | <b>-</b>   | <b>-</b>         | <b>-</b>                                    | <b>-</b>          |
| <b>Net assets attributable to unitholders (liability) *</b>                               | 4    | <b>-</b>   | <b>71,133</b>  | <b>5,000,426</b>   | <b>4,674,221</b> | <b>1,992,512</b>                                 | <b>1,729,794</b> | <b>11,976,959</b>                           | <b>10,290,342</b> |

\* Effective from 1 July 2017, Vanguard MSCI Australian Large Companies Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further details.

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

## Balance sheets

|   |      | Vanguard MSCI Australian<br>Small Companies<br>Index ETF |                          | Vanguard<br>FTSE Europe<br>Shares ETF |                          | Vanguard Global<br>Aggregate Bond<br>Index Fund (Hedged) |                          | Vanguard FTSE<br>Emerging Markets<br>Shares ETF |                          |
|---|------|--|--------------------------|---------------------------------------|--------------------------|--|--------------------------|---|--------------------------|
|   | Note | 31 Dec<br>2017<br>\$'000                                 | 30 Jun<br>2017<br>\$'000 | 31 Dec<br>2017<br>\$'000              | 30 Jun<br>2017<br>\$'000 | 31 Dec<br>2017<br>\$'000                                 | 30 Jun<br>2017<br>\$'000 | 31 Dec<br>2017<br>\$'000                        | 30 Jun<br>2017<br>\$'000 |
| <b>Assets</b>   |      |  |                          |                                       |                          |  |                          |   |                          |
| Cash and cash equivalents   |      | 174  | 401                      | 281                                   | 1,220                    | 95,032   | -                        | 240   | 2,566                    |
| Margin accounts   |      | -  | 10                       | -                                     | -                        | 412  | -                        | -   | -                        |
| Receivables   |      | 6  | 5                        | 13                                    | 526                      | 722  | -                        | 674   | 605                      |
| Accrued income  |      | 313  | 334                      | -                                     | -                        | 8  | -                        | 1   | -                        |
| Due from brokers - receivable for securities sold   |      | 993  | 1,871                    | 453                                   | 251                      | 6,488  | -                        | -   | -                        |
| Financial assets held at fair value through profit or loss                                |      | 138,789  | 92,571                   | 140,102                               | 82,400                   | 2,840,302  | -                        | 178,051   | 110,153                  |
| <b>Total assets</b>   |      | <b>140,275</b>   | <b>95,192</b>            | <b>140,849</b>                        | <b>84,397</b>            | <b>2,942,964</b>   | <b>-</b>                 | <b>178,966</b>                                  | <b>113,324</b>           |
| <b>Liabilities</b>  |      |  |                          |                                       |                          |  |                          |   |                          |
| Margin accounts   |      | -  | -                        | -                                     | -                        | 54,280   | -                        | -   | -                        |
| Distribution payable  | 5    | 1,457  | 2,724                    | 647                                   | 917                      | 9,671  | -                        | 667   | 504                      |
| Payables  |      | 35   | 23                       | 35                                    | 16                       | 2,918  | -                        | 59  | 28                       |
| Due to brokers - payables for securities purchased  |      | -  | 433                      | -                                     | 1,090                    | 175,331  | -                        | -   | 2,359                    |
| Financial liabilities held at fair value through profit or loss                           |      | -  | -                        | -                                     | -                        | 43,754   | -                        | -   | -                        |
| <b>Total liabilities (30 June 2017: excluding net assets attributable to unitholders)</b> |      | <b>1,492</b>   | <b>3,180</b>             | <b>682</b>                            | <b>2,023</b>             | <b>285,954</b>   | <b>-</b>                 | <b>726</b>                                      | <b>2,891</b>             |
| <b>Net assets attributable to unitholders (equity) *</b>                                  | 4    | <b>138,783</b>   | <b>-</b>                 | <b>140,167</b>                        | <b>-</b>                 | <b>-</b>   | <b>-</b>                 | <b>178,240</b>                                  | <b>-</b>                 |
| <b>Net assets attributable to unitholders (liability) *</b>                               | 4    | <b>-</b>   | <b>92,012</b>            | <b>-</b>                              | <b>82,374</b>            | <b>2,657,010</b>   | <b>-</b>                 | <b>-</b>  | <b>110,433</b>           |

\* Effective from 1 July 2017, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF and Vanguard FTSE Emerging Markets Shares ETF units have been reclassified from financial liability to equity. Refer note 1 for further details.

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

## Balance sheets

|   |      | Vanguard MSCI Index<br>International Shares<br>(Hedged) ETF |                | Vanguard International<br>Credit Securities<br>Index Fund (Hedged) |                  | Vanguard International<br>Fixed Interest<br>Index Fund (Hedged) |                  | Vanguard<br>International Shares<br>Index Fund |                   |
|---|------|---|----------------|--|------------------|---|------------------|--|-------------------|
|   |      | 31 Dec<br>2017  | 30 Jun<br>2017 | 31 Dec<br>2017   | 30 Jun<br>2017   | 31 Dec<br>2017  | 30 Jun<br>2017   | 31 Dec<br>2017                                 | 30 Jun<br>2017    |
|   | Note | \$'000  | \$'000         | \$'000   | \$'000           | \$'000  | \$'000           | \$'000   | \$'000            |
| <b>Assets</b>   |      |   |                |  |                  |   |                  |  |                   |
| Cash and cash equivalents   |      | (3,153)   | 2,154          | 9,612  | 22,812           | 11,623  | 19,318           | 170,018  | 282,304           |
| Margin accounts   |      | 680   | 534            | 340  | 753              | 349   | 779              | 6,587  | 8,542             |
| Receivables   |      | 2   | 621            | 367  | 2,856            | 492   | 9,356            | 97,195   | 33,468            |
| Accrued income  |      | 1,608   | 3,670          | 2  | 43               | -   | -                | 13,237   | 13,545            |
| Due from brokers - receivable for securities sold   |      | -   | -              | 3,229  | 7,484            | 9,180   | 31,533           | 8,575  | -                 |
| Financial assets held at fair value through profit or loss                                |      | 388,727   | 247,254        | 777,930  | 1,557,833        | 1,814,111   | 3,230,134        | 14,164,223                                     | 11,778,124        |
| <b>Total assets</b>   |      | <b>387,864</b>  | <b>254,233</b> | <b>791,480</b>   | <b>1,591,781</b> | <b>1,835,755</b>  | <b>3,291,120</b> | <b>14,459,835</b>                              | <b>12,115,983</b> |
| <b>Liabilities</b>  |      |   |                |  |                  |   |                  |  |                   |
| Margin accounts   |      | 7,578   | 5,300          | -  | -                | 41,370  | 71,818           | -  | -                 |
| Distribution payable  | 5    | 3,650   | 10,197         | 6,190  | 36,673           | 9,308   | 40,580           | 80,065   | 563,256           |
| Payables  |      | 17  | 11             | 1,701  | 419              | 1,954   | 1,308            | 4,429  | 35,838            |
| Due to brokers - payables for securities purchased  |      | -   | -              | 6,808  | 36,300           | 43,505  | 108,989          | 138,793  | 846               |
| Financial liabilities held at fair value through profit or loss                           |      | 6,362   | 1,538          | 3,151  | 9,431            | 29,942  | 3,133            | 448  | 1,086             |
| <b>Total liabilities (30 June 2017: excluding net assets attributable to unitholders)</b> |      | <b>17,607</b>   | <b>17,046</b>  | <b>17,850</b>  | <b>82,823</b>    | <b>126,079</b>  | <b>225,828</b>   | <b>223,735</b>                                 | <b>601,026</b>    |
| <b>Net assets attributable to unitholders (equity) *</b>                                  | 4    | <b>370,257</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>         | <b>-</b>  | <b>-</b>         | <b>-</b>                                       | <b>-</b>          |
| <b>Net assets attributable to unitholders (liability) *</b>                               | 4    | <b>-</b>  | <b>237,187</b> | <b>773,630</b>   | <b>1,508,958</b> | <b>1,709,676</b>  | <b>3,065,292</b> | <b>14,236,100</b>                              | <b>11,514,957</b> |

\* Effective from 1 July 2017, Vanguard MSCI Index International Shares (Hedged) ETF units have been reclassified from financial liability to equity. Refer note 1 for further details.

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



**Statements of changes in equity**

|   | Vanguard FTSE Asia<br>ex Japan Shares<br>Index ETF |                | Vanguard Australian<br>Corporate Fixed<br>Interest Index Fund |                | Vanguard Australian<br>Fixed Interest<br>Index Fund |                | Vanguard Australian<br>Government Bond<br>Index Fund |                |
|---|--|----------------|---|----------------|---|----------------|--|----------------|
|   | 31 Dec<br>2017                                     | 31 Dec<br>2016 | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017                                      | 31 Dec<br>2016 | 31 Dec<br>2017                                       | 31 Dec<br>2016 |
|   | \$'000   | \$'000         | \$'000  | \$'000         | \$'000  | \$'000         | \$'000   | \$'000         |
| <b>Total equity at the beginning of the financial half-year</b> | -  | -              | -   | -              | -   | -              | -  | -              |
| Reclassification due to AMIT tax regime implementation *        | 27,326   | -              | -   | -              | -   | -              | -  | -              |
| <b>Comprehensive income for the half-year</b>                   |  |                |   |                |   |                |  |                |
| Profit/(loss) for the half-year                                 | 4,107  | -              | -   | -              | -   | -              | -  | -              |
| Other comprehensive income                                      | -  | -              | -   | -              | -   | -              | -  | -              |
| <b>Total comprehensive income for the half-year</b>             | 4,107  | -              | -   | -              | -   | -              | -  | -              |
| <b>Transactions with unitholders</b>                            |  |                |   |                |   |                |  |                |
| Applications  | 21,218   | -              | -   | -              | -   | -              | -  | -              |
| Redemptions   | -  | -              | -   | -              | -   | -              | -  | -              |
| Return of capital   | -  | -              | -   | -              | -   | -              | -  | -              |
| Units issued upon reinvestment of distributions                 | 148  | -              | -   | -              | -   | -              | -  | -              |
| Distributions paid and payable                                  | (569)  | -              | -   | -              | -   | -              | -  | -              |
| <b>Total transactions with unitholders</b>                      | 20,797   | -              | -   | -              | -   | -              | -  | -              |
| <b>Total equity at the end of the financial half-year</b>       | 52,230   | -              | -   | -              | -   | -              | -  | -              |

\* Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2017.

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

**Statements of changes in equity**

|   | Vanguard MSCI Australian Large Companies Index ETF |             | Vanguard Australian Property Securities Index Fund |             | Vanguard Australian Shares High Yield Fund |             | Vanguard Australian Shares Index Fund |             |
|---|--|-------------|--|-------------|--|-------------|---------------------------------------|-------------|
|   | 31 Dec 2017  | 31 Dec 2016 | 31 Dec 2017  | 31 Dec 2016 | 31 Dec 2017                                | 31 Dec 2016 | 31 Dec 2017                           | 31 Dec 2016 |
|   | \$'000   | \$'000      | \$'000   | \$'000      | \$'000                                     | \$'000      | \$'000                                | \$'000      |
| <b>Total equity at the beginning of the financial half-year</b> | -  | -           | -  | -           | -  | -           | -                                     | -           |
| Reclassification due to AMIT tax regime implementation *        | 71,133   | -           | -  | -           | -  | -           | -                                     | -           |
| <b>Comprehensive income for the half-year</b>                   |  |             |  |             |  |             |                                       |             |
| Profit/(loss) for the half-year                                 | 5,013  | -           | -  | -           | -  | -           | -                                     | -           |
| Other comprehensive income                                      | -  | -           | -  | -           | -  | -           | -                                     | -           |
| <b>Total comprehensive income for the half-year</b>             | 5,013  | -           | -  | -           | -  | -           | -                                     | -           |
| <b>Transactions with unitholders</b>                            |  |             |  |             |  |             |                                       |             |
| Applications  | 7,321  | -           | -  | -           | -  | -           | -                                     | -           |
| Redemptions   | -  | -           | -  | -           | -  | -           | -                                     | -           |
| Return of capital   | -  | -           | -  | -           | -  | -           | -                                     | -           |
| Units issued upon reinvestment of distributions                 | 95   | -           | -  | -           | -  | -           | -                                     | -           |
| Distributions paid and payable                                  | (2,228)  | -           | -  | -           | -  | -           | -                                     | -           |
| <b>Total transactions with unitholders</b>                      | 5,188  | -           | -  | -           | -  | -           | -                                     | -           |
| <b>Total equity at the end of the financial half-year</b>       | 81,334   | -           | -  | -           | -  | -           | -                                     | -           |

\* Effective from 1 July 2017, Vanguard MSCI Australian Large Companies Index ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2017.

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

**Statements of changes in equity**

|   | Vanguard MSCI Australian<br>Small Companies<br>Index ETF |                | Vanguard<br>FTSE Europe<br>Shares ETF |                | Vanguard Global<br>Aggregate Bond<br>Index Fund (Hedged) |                | Vanguard FTSE<br>Emerging Markets<br>Shares ETF |                |
|---|--|----------------|---------------------------------------|----------------|--|----------------|---|----------------|
|   | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017                        | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017                                  | 31 Dec<br>2016 |
|   | \$'000   | \$'000         | \$'000                                | \$'000         | \$'000   | \$'000         | \$'000  | \$'000         |
| <b>Total equity at the beginning of the financial half-year</b> | -  | -              | -                                     | -              | -  | -              | -   | -              |
| Reclassification due to AMIT tax regime implementation *        | 92,012   | -              | 82,374                                | -              | -  | -              | 110,433   | -              |
| <b>Comprehensive income for the half-year</b>                   |  |                |                                       |                |  |                |   |                |
| Profit/(loss) for the half-year                                 | 15,513   | -              | 6,752                                 | -              | -  | -              | 14,456  | -              |
| Other comprehensive income                                      | -  | -              | -                                     | -              | -  | -              | -   | -              |
| <b>Total comprehensive income for the half-year</b>             | 15,513   | -              | 6,752                                 | -              | -  | -              | 14,456  | -              |
| <b>Transactions with unitholders</b>                            |  |                |                                       |                |  |                |   |                |
| Applications  | 32,374   | -              | 51,995                                | -              | -  | -              | 55,124  | -              |
| Redemptions   | -  | -              | -                                     | -              | -  | -              | -   | -              |
| Return of capital   | -  | -              | -                                     | -              | -  | -              | -   | -              |
| Units issued upon reinvestment of distributions                 | 341  | -              | 24                                    | -              | -  | -              | 147   | -              |
| Distributions paid and payable                                  | (1,457)  | -              | (978)                                 | -              | -  | -              | (1,920)   | -              |
| <b>Total transactions with unitholders</b>                      | 31,258   | -              | 51,041                                | -              | -  | -              | 53,351  | -              |
| <b>Total equity at the end of the financial half-year</b>       | 138,783  | -              | 140,167                               | -              | -  | -              | 178,240   | -              |

\* Effective from 1 July 2017, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF and Vanguard FTSE Emerging Markets Shares ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2017.

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

**Statements of changes in equity**

|   | Vanguard MSCI Index<br>International Shares<br>(Hedged) ETF |                | Vanguard International<br>Credit Securities<br>Index Fund (Hedged) |                | Vanguard International<br>Fixed Interest<br>Index Fund (Hedged) |                | Vanguard<br>International Shares<br>Index Fund |                |
|---|---|----------------|--|----------------|---|----------------|--|----------------|
|   | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017                                 | 31 Dec<br>2016 |
|   | \$'000  | \$'000         | \$'000   | \$'000         | \$'000  | \$'000         | \$'000   | \$'000         |
| <b>Total equity at the beginning of the financial half-year</b> | -   | -              | -  | -              | -   | -              | -  | -              |
| Reclassification due to AMIT tax regime implementation *        | 237,187   | -              | -  | -              | -   | -              | -  | -              |
| <b>Comprehensive income for the half-year</b>                   |   |                |  |                |   |                |  |                |
| Profit/(loss) for the half-year                                 | 31,205  | -              | -  | -              | -   | -              | -  | -              |
| Other comprehensive income                                      | -   | -              | -  | -              | -   | -              | -  | -              |
| <b>Total comprehensive income for the half-year</b>             | 31,205  | -              | -  | -              | -   | -              | -  | -              |
| <b>Transactions with unitholders</b>                            |   |                |  |                |   |                |  |                |
| Applications  | 104,454   | -              | -  | -              | -   | -              | -  | -              |
| Redemptions   | -   | -              | -  | -              | -   | -              | -  | -              |
| Return of capital   | -   | -              | -  | -              | -   | -              | -  | -              |
| Units issued upon reinvestment of distributions                 | 1,061   | -              | -  | -              | -   | -              | -  | -              |
| Distributions paid and payable                                  | (3,650)   | -              | -  | -              | -   | -              | -  | -              |
| <b>Total transactions with unitholders</b>                      | 101,865   | -              | -  | -              | -   | -              | -  | -              |
| <b>Total equity at the end of the financial half-year</b>       | 370,257   | -              | -  | -              | -   | -              | -  | -              |

\* Effective from 1 July 2017, Vanguard MSCI Index International Shares (Hedged) ETF units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2017.

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of cash flows**  
For the half-year ended 31 December 2017

**Statements of cash flows**

|   | Vanguard FTSE Asia<br>ex Japan Shares<br>Index ETF |                | Vanguard Australian<br>Corporate Fixed<br>Interest Index Fund |                 | Vanguard Australian<br>Fixed Interest<br>Index Fund |                  | Vanguard Australian<br>Government Bond<br>Index Fund |                 |
|---|--|----------------|---|-----------------|---|------------------|--|-----------------|
|   | 31 Dec<br>2017                                     | 31 Dec<br>2016 | 31 Dec<br>2017  | 31 Dec<br>2016  | 31 Dec<br>2017                                      | 31 Dec<br>2016   | 31 Dec<br>2017                                       | 31 Dec<br>2016  |
|   | \$'000   | \$'000         | \$'000  | \$'000          | \$'000  | \$'000           | \$'000   | \$'000          |
| <b>Cash flows from operating activities</b>   |  |                |   |                 |   |                  |  |                 |
| Proceeds from sale of financial instruments held at fair value through profit or loss             | 1,443  | 740            | 28,186  | 16,485          | 928,228   | 452,555          | 53,118   | 51,393          |
| Purchases of financial instruments held at fair value through profit or loss                      | (21,966)   | (625)          | (117,718)   | (38,376)        | (918,108)   | (840,115)        | (45,518)   | (85,722)        |
| Transaction costs on purchases of financial instruments held at fair value through profit or loss | (14)   | -              | -   | -               | -   | -                | -  | -               |
| Dividends received  | 468  | 383            | -   | -               | -   | -                | -  | -               |
| Distributions received  | 9  | 8              | -   | -               | -   | -                | -  | -               |
| Other income received   | 109  | -              | 87  | 43              | 86  | 188              | 3  | 20              |
| Responsible Entity's fees paid  | (65)   | (46)           | (192)   | (126)           | (6,504)   | (5,424)          | (653)  | (569)           |
| Operating expenses paid   | (38)   | (7)            | (46)  | (5)             | (13)  | (6)              | (2)  | (7)             |
| <b>Net cash inflow/(outflow) from operating activities</b>  | <b>(20,054)</b>                                    | <b>453</b>     | <b>(89,683)</b>   | <b>(21,979)</b> | <b>3,689</b>  | <b>(392,802)</b> | <b>6,948</b>   | <b>(34,885)</b> |
| <b>Cash flows from financing activities</b>   |  |                |   |                 |   |                  |  |                 |
| Proceeds from applications by unitholders   | 21,218   | 9              | 105,245   | 33,724          | 802,902   | 825,595          | 24,787   | 83,879          |
| Payments for redemptions by unitholders   | -  | -              | (15,105)  | (9,981)         | (807,597)   | (361,192)        | (30,768)   | (46,628)        |
| Distributions paid from operating activities  | (667)  | (481)          | (1,564)   | (1,323)         | (36,629)  | (66,557)         | (5,224)  | (4,527)         |
| <b>Net cash inflow/(outflow) from financing activities</b>  | <b>20,551</b>                                      | <b>(472)</b>   | <b>88,576</b>   | <b>22,420</b>   | <b>(41,324)</b>                                     | <b>397,846</b>   | <b>(11,205)</b>                                      | <b>32,724</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                       | <b>497</b>   | <b>(19)</b>    | <b>(1,107)</b>  | <b>441</b>      | <b>(37,635)</b>                                     | <b>5,044</b>     | <b>(4,257)</b>                                       | <b>(2,161)</b>  |
| Cash and cash equivalents at the beginning of the half-year                                       | 200  | 132            | 2,562   | 976             | 53,787  | 15,089           | 544  | 4,628           |
| Effects of foreign currency exchange rate changes on cash and cash equivalents                    | (20)   | 3              | -   | -               | -   | -                | -  | -               |
| <b>Cash and cash equivalents at the end of the half-year</b>                                      | <b>677</b>   | <b>116</b>     | <b>1,455</b>  | <b>1,417</b>    | <b>16,152</b>                                       | <b>20,133</b>    | <b>(3,713)</b>                                       | <b>2,467</b>    |
| Non-cash financing activities   | 148  | 10             | 113   | 106             | 35,730  | 54,888           | 656  | 527             |

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of cash flows**  
For the half-year ended 31 December 2017

**Statements of cash flows**

|   | Vanguard MSCI Australian<br>Large Companies<br>Index ETF |                | Vanguard Australian<br>Property Securities<br>Index Fund |                 | Vanguard<br>Australian Shares<br>High Yield Fund |                 | Vanguard<br>Australian Shares<br>Index Fund |                  |
|---|--|----------------|--|-----------------|--|-----------------|---|------------------|
|   | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016  | 31 Dec<br>2017                                   | 31 Dec<br>2016  | 31 Dec<br>2017                              | 31 Dec<br>2016   |
| Note  | \$'000   | \$'000         | \$'000   | \$'000          | \$'000   | \$'000          | \$'000                                      | \$'000           |
| <b>Cash flows from operating activities</b>   |  |                |  |                 |  |                 |   |                  |
| Proceeds from sale of financial instruments held at fair value through profit or loss             | 2,249  | 1,161          | 346,940  | 444,571         | 407,482  | 366,984         | 312,644                                     | 746,194          |
| Purchases of financial instruments held at fair value through profit or loss                      | (9,330)  | (3,396)        | (310,039)  | (470,074)       | (597,646)  | (435,022)       | (1,317,494)                                 | (863,938)        |
| Transaction costs on purchases of financial instruments held at fair value through profit or loss | (2)  | -              | (115)  | (51)            | (249)  | (118)           | (255)                                       | (123)            |
| Interest received   | -  | 144            | -  | -               | 4  | 28              | 367   | 504              |
| Dividends received  | 2,050  | 1,836          | 1,433  | 2,252           | 59,933   | 52,752          | 226,410                                     | 234,027          |
| Distributions received  | 167  | -              | 118,935  | 105,980         | 3,983  | 4,820           | 30,231                                      | 27,457           |
| Other income received   | 1  | 3              | 127  | 22              | 22   | 151             | 45  | 646              |
| Responsible Entity's fees paid  | (73)   | (63)           | (5,459)  | (5,669)         | (2,932)  | (2,506)         | (9,330)                                     | (8,108)          |
| Operating expenses paid   | (8)  | (5)            | (171)  | (223)           | (11)   | (42)            | (28)  | (97)             |
| <b>Net cash inflow/(outflow) from operating activities</b>  | <b>(4,946)</b>   | <b>(320)</b>   | <b>151,651</b>   | <b>76,808</b>   | <b>(129,414)</b>                                 | <b>(12,953)</b> | <b>(757,410)</b>                            | <b>136,562</b>   |
| <b>Cash flows from financing activities</b>   |  |                |  |                 |  |                 |   |                  |
| Proceeds from applications by unitholders   | 7,321  | 2,398          | 586,560  | 701,441         | 277,913  | 106,546         | 1,531,359                                   | 1,092,811        |
| Payments for redemptions by unitholders   | -  | -              | (747,920)  | (705,307)       | (59,966)   | (71,225)        | (634,312)                                   | (1,147,948)      |
| Distributions paid from operating activities  | (1,770)  | (1,526)        | (50,543)   | (72,868)        | (65,782)   | (38,975)        | (147,249)                                   | (97,568)         |
| <b>Net cash inflow/(outflow) from financing activities</b>  | <b>5,551</b>   | <b>872</b>     | <b>(211,903)</b>   | <b>(76,734)</b> | <b>152,165</b>                                   | <b>(3,654)</b>  | <b>749,798</b>                              | <b>(152,705)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                       | <b>605</b>   | <b>552</b>     | <b>(60,252)</b>  | <b>74</b>       | <b>22,751</b>                                    | <b>(16,607)</b> | <b>(7,612)</b>                              | <b>(16,143)</b>  |
| Cash and cash equivalents at the beginning of the half-year                                       | (513)  | (448)          | 32,058   | 15,560          | 28,695   | 29,930          | 85,627                                      | 66,293           |
| <b>Cash and cash equivalents at the end of the half-year</b>                                      | <b>92</b>  | <b>104</b>     | <b>(28,194)</b>  | <b>15,634</b>   | <b>51,446</b>                                    | <b>13,323</b>   | <b>78,015</b>                               | <b>50,150</b>    |
| Non-cash financing activities   | 95   | 73             | 30,810   | 46,412          | 22,009   | 13,047          | 177,104                                     | 120,415          |

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of cash flows**  
For the half-year ended 31 December 2017

**Statements of cash flows**

|   | Vanguard MSCI Australian<br>Small Companies<br>Index ETF |                 | Vanguard<br>FTSE Europe<br>Shares ETF |                | Vanguard Global<br>Aggregate Bond<br>Index Fund (Hedged) |                | Vanguard FTSE<br>Emerging Markets<br>Shares ETF |                 |
|---|--|-----------------|---------------------------------------|----------------|--|----------------|---|-----------------|
|   | 31 Dec<br>2017   | 31 Dec<br>2016  | 31 Dec<br>2017                        | 31 Dec<br>2016 | 31 Dec<br>2017   | 31 Dec<br>2016 | 31 Dec<br>2017                                  | 31 Dec<br>2016  |
| Note  | \$'000   | \$'000          | \$'000                                | \$'000         | \$'000   | \$'000         | \$'000  | \$'000          |
| <b>Cash flows from operating activities</b>   |  |                 |                                       |                |  |                |   |                 |
| Proceeds from sale of financial instruments held at fair value through profit or loss             | 10,320   | 29,719          | 1,669                                 | 112            | 1,666,170  | -              | 942   | 719             |
| Purchases of financial instruments held at fair value through profit or loss                      | (42,301)   | (19,781)        | (54,877)                              | (949)          | (4,203,783)  | -              | (58,674)  | (14,998)        |
| Transaction costs on purchases of financial instruments held at fair value through profit or loss | (3)  | (1)             | (2)                                   | -              | -  | -              | (7)   | (2)             |
| Interest received   | -  | -               | 1                                     | -              | -  | -              | 1   | 1               |
| Dividends received  | 1,541  | 965             | -                                     | -              | -  | -              | -   | -               |
| Distributions received  | 365  | 266             | 993                                   | 57             | -  | -              | 2,085   | 888             |
| Other income received   | 32   | 14              | 26                                    | -              | 155  | -              | 26  | 10              |
| Responsible Entity's fees paid  | (158)  | (105)           | (127)                                 | (8)            | (2,053)  | -              | (223)   | (96)            |
| Operating expenses paid   | (14)   | (11)            | (3)                                   | -              | (426)  | -              | -   | (4)             |
| <b>Net cash inflow/(outflow) from operating activities</b>  | <b>(30,218)</b>  | <b>11,066</b>   | <b>(52,320)</b>                       | <b>(788)</b>   | <b>(2,539,937)</b>                                       | <b>-</b>       | <b>(55,850)</b>                                 | <b>(13,482)</b> |
| <b>Cash flows from financing activities</b>   |  |                 |                                       |                |  |                |   |                 |
| Proceeds from applications by unitholders   | 32,374   | 13,657          | 52,517                                | 902            | 2,660,219  | -              | 55,063  | 14,301          |
| Payments for redemptions by unitholders   | -  | (23,339)        | -                                     | (114)          | (28,172)   | -              | -   | -               |
| Distributions paid from operating activities  | (2,383)  | (1,247)         | (1,224)                               | -              | -  | -              | (1,610)   | (795)           |
| <b>Net cash inflow/(outflow) from financing activities</b>  | <b>29,991</b>  | <b>(10,929)</b> | <b>51,293</b>                         | <b>788</b>     | <b>2,632,047</b>   | <b>-</b>       | <b>53,453</b>                                   | <b>13,506</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                       | <b>(227)</b>   | <b>137</b>      | <b>(1,027)</b>                        | <b>-</b>       | <b>92,110</b>  | <b>-</b>       | <b>(2,397)</b>                                  | <b>24</b>       |
| Cash and cash equivalents at the beginning of the half-year                                       | 401  | (18)            | 1,220                                 | 6              | -  | -              | 2,566   | 87              |
| Effects of foreign currency exchange rate changes on cash and cash equivalents                    | -  | -               | 88                                    | 1              | 2,922  | -              | 71  | 6               |
| <b>Cash and cash equivalents at the end of the half-year</b>                                      | <b>174</b>   | <b>119</b>      | <b>281</b>                            | <b>7</b>       | <b>95,032</b>  | <b>-</b>       | <b>240</b>                                      | <b>117</b>      |
| Non-cash financing activities   | 341  | 118             | 24                                    | 5              | 16,215   | -              | 147   | 76              |

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

**Vanguard Wholesale (ETF) Funds**  
**Statements of cash flows**  
For the half-year ended 31 December 2017

**Statements of cash flows**

|   | Vanguard MSCI Index<br>International Shares<br>(Hedged) ETF |                 | Vanguard International<br>Credit Securities<br>Index Fund (Hedged) |                  | Vanguard International<br>Fixed Interest<br>Index Fund (Hedged) |                  | Vanguard<br>International Shares<br>Index Fund |                    |
|---|---|-----------------|--|------------------|---|------------------|--|--------------------|
|   | 31 Dec<br>2017  | 31 Dec<br>2016  | 31 Dec<br>2017   | 31 Dec<br>2016   | 31 Dec<br>2017  | 31 Dec<br>2016   | 31 Dec<br>2017                                 | 31 Dec<br>2016     |
| Note  | \$'000  | \$'000          | \$'000   | \$'000           | \$'000  | \$'000           | \$'000   | \$'000             |
| <b>Cash flows from operating activities</b>   |   |                 |  |                  |   |                  |  |                    |
| Proceeds from sale of financial instruments held at fair value through profit or loss             | 15,267  | 227             | 965,805  | 348,814          | 1,728,680   | 418,875          | 422,150  | 2,630,648          |
| Purchases of financial instruments held at fair value through profit or loss                      | (116,668)   | (49,261)        | (196,269)  | (512,501)        | (331,030)   | (551,209)        | (1,671,006)                                    | (1,625,482)        |
| Transaction costs on purchases of financial instruments held at fair value through profit or loss | -   | -               | -  | -                | -   | -                | (944)  | (130)              |
| Interest received   | 90  | 7               | -  | -                | -   | -                | 123  | 128                |
| Dividends received  | -   | -               | -  | -                | -   | -                | 112,831  | 112,607            |
| Distributions received  | -   | -               | -  | -                | -   | -                | 4,836  | 5,151              |
| Other income received   | 148   | 56              | 1,697  | 301              | 1,549   | 118              | 570  | 4,119              |
| Responsible Entity's fees paid  | (55)  | (35)            | (1,561)  | (2,140)          | (2,655)   | (3,482)          | (11,602)                                       | (11,035)           |
| Operating expenses paid   | (29)  | (8)             | (56)   | (64)             | (95)  | -                | (171)  | (539)              |
| <b>Net cash inflow/(outflow) from operating activities</b>  | <b>(101,247)</b>  | <b>(49,014)</b> | <b>769,616</b>   | <b>(165,590)</b> | <b>1,396,449</b>  | <b>(135,698)</b> | <b>(1,143,213)</b>                             | <b>1,115,467</b>   |
| <b>Cash flows from financing activities</b>   |   |                 |  |                  |   |                  |  |                    |
| Proceeds from applications by unitholders   | 105,074   | 46,864          | 96,997   | 291,805          | 248,040   | 471,610          | 2,404,901                                      | 2,041,015          |
| Payments for redemptions by unitholders   | -   | -               | (856,215)  | (109,533)        | (1,618,962)   | (319,394)        | (1,226,593)                                    | (3,134,508)        |
| Distributions paid from operating activities  | (9,136)   | (1,342)         | (23,530)   | (8,570)          | (31,639)  | (14,374)         | (146,263)                                      | (57,530)           |
| <b>Net cash inflow/(outflow) from financing activities</b>  | <b>95,938</b>   | <b>45,522</b>   | <b>(782,748)</b>   | <b>173,702</b>   | <b>(1,402,561)</b>  | <b>137,842</b>   | <b>1,032,045</b>                               | <b>(1,151,023)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                       | <b>(5,309)</b>  | <b>(3,492)</b>  | <b>(13,132)</b>  | <b>8,112</b>     | <b>(6,112)</b>  | <b>2,144</b>     | <b>(111,168)</b>                               | <b>(35,556)</b>    |
| Cash and cash equivalents at the beginning of the half-year                                       | 2,154   | 5,247           | 22,812   | 13,765           | 19,318  | 8,630            | 282,304  | 112,149            |
| Effects of foreign currency exchange rate changes on cash and cash equivalents                    | 2   | (41)            | (68)   | (31)             | (1,583)   | 12               | (1,118)  | 2,383              |
| <b>Cash and cash equivalents at the end of the half-year</b>                                      | <b>(3,153)</b>  | <b>1,714</b>    | <b>9,612</b>   | <b>21,846</b>    | <b>11,623</b>   | <b>10,786</b>    | <b>170,018</b>                                 | <b>78,976</b>      |
| Non-cash financing activities   | 1,061   | 142             | 29,719   | 41,857           | 39,793  | 30,733           | 468,903  | 239,526            |

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



## 1 General information

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

- Vanguard FTSE Asia ex Japan Shares Index ETF 16 November 2015
- Vanguard Australian Corporate Fixed Interest Index Fund 17 May 2016
- Vanguard Australian Fixed Interest Index Fund 6 December 1996
- Vanguard Australian Government Bond Index Fund 14 November 2008
- Vanguard MSCI Australian Large Companies Index ETF 17 December 2010
- Vanguard Australian Property Securities Index Fund 10 December 1997
- Vanguard Australian Shares High Yield Fund 21 February 2000
- Vanguard Australian Shares Index Fund 6 December 1996
- Vanguard MSCI Australian Small Companies Index ETF 9 August 2007
- Vanguard FTSE Europe Shares ETF 16 September 2015
- Vanguard Global Aggregate Bond Index Fund (Hedged) 28 March 2017
- Vanguard FTSE Emerging Markets Shares ETF 17 October 2010
- Vanguard MSCI Index International Shares (Hedged) ETF 25 September 2013
- Vanguard International Credit Securities Index Fund (Hedged) 11 December 2000
- Vanguard International Fixed Interest Index Fund (Hedged) 18 May 1999
- Vanguard International Shares Index Fund 6 December 1996

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

The Funds 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 Fund Constitutions. The Funds seek to track the returns of the Funds’ respective indices, before taking into account Fund fees and expenses.

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

### Reclassification of units from financial liability to equity

On 5 May 2016, a new tax regime applying to Managed Investment Trusts (“MITs”) was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. The Attribution Managed Investment Trust (“AMIT”) regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Funds to elect into the AMIT tax regime, the Fund Constitutions have been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions to unitholders where the Fund meets the criteria set out under AASB 132.

Consequently, the units in the Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard MSCI Australian Large Companies Index ETF, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard MSCI Index International Shares (Hedged) ETF have been reclassified from a financial liability to equity on 1 July 2017. For the remaining Funds, their net assets attributable to unitholders remain disclosed as a liability as their multi-class structure means they have not met the strict criteria for recognition as equity, despite their election into the AMIT tax regime also. See note 4 for further information.

The financial statements were authorised for issue by the directors on 8 March 2018. 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 2017 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.

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Effective from 1 July 2017, the Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard MSCI Australian Large Companies Index ETF, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard MSCI Index International Shares (Hedged) ETF units have been reclassified from financial liability to equity as they satisfied all the above criteria.

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 2017 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 2017 that would be expected to have a material impact on the Funds.

## 3 Fair value measurement

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

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

The Funds 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.

### 3 Fair value measurement (continued)

(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' asset 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.

*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 2017 and 30 June 2017.

|   | Vanguard FTSE Asia ex Japan<br>Shares Index ETF |            |          |               | Vanguard Australian Corporate<br>Fixed Interest Index Fund |                |          |                |
|---|---|------------|----------|---------------|--|----------------|----------|----------------|
|   | Level 1   | Level 2    | Level 3  | Total         | Level 1  | Level 2        | Level 3  | Total          |
|   | \$'000  | \$'000     | \$'000   | \$'000        | \$'000   | \$'000         | \$'000   | \$'000         |
| <b>31 December 2017</b>   |   |            |          |               |  |                |          |                |
| <b>Financial assets</b>   |   |            |          |               |  |                |          |                |
| Financial assets held for trading:                                |   |            |          |               |  |                |          |                |
| Derivatives   | 18  | -          | -        | 18            | 1  | -              | -        | 1              |
| Financial assets designated at fair value through profit or loss: |   |            |          |               |  |                |          |                |
| Fixed interest securities   | -   | -          | -        | -             | -  | 190,713        | -        | 190,713        |
| Equity securities   | 51,127  | 5          | -        | 51,132        | -  | -              | -        | -              |
| Listed unit trusts  | 448   | -          | -        | 448           | -  | -              | -        | -              |
| <b>Total</b>  | <b>51,593</b>                                   | <b>5</b>   | <b>-</b> | <b>51,598</b> | <b>1</b>   | <b>190,713</b> | <b>-</b> | <b>190,714</b> |
| <b>Financial liabilities</b>                                      |   |            |          |               |  |                |          |                |
| Financial liabilities held for trading:                           |   |            |          |               |  |                |          |                |
| Derivatives   | -   | -          | -        | -             | 1  | -              | -        | 1              |
| <b>Total</b>  | <b>-</b>  | <b>-</b>   | <b>-</b> | <b>-</b>      | <b>1</b>   | <b>-</b>       | <b>-</b> | <b>1</b>       |
| <b>30 June 2017</b>   |   |            |          |               |  |                |          |                |
| <b>Financial assets</b>   |   |            |          |               |  |                |          |                |
| Financial assets held for trading:                                |   |            |          |               |  |                |          |                |
| Derivatives   | -   | -          | -        | -             | 11   | -              | -        | 11             |
| Financial assets designated at fair value through profit or loss: |   |            |          |               |  |                |          |                |
| Fixed interest securities   | -   | -          | -        | -             | -  | 100,078        | -        | 100,078        |
| Equity securities   | 26,279  | 767        | -        | 27,046        | -  | -              | -        | -              |
| Listed unit trusts  | 244   | -          | -        | 244           | -  | -              | -        | -              |
| <b>Total</b>  | <b>26,523</b>                                   | <b>767</b> | <b>-</b> | <b>27,290</b> | <b>11</b>  | <b>100,078</b> | <b>-</b> | <b>100,089</b> |
| <b>Financial liabilities</b>                                      |   |            |          |               |  |                |          |                |
| Financial liabilities held for trading:                           |   |            |          |               |  |                |          |                |
| Derivatives   | -   | -          | -        | -             | 5  | -              | -        | 5              |
| <b>Total</b>  | <b>-</b>  | <b>-</b>   | <b>-</b> | <b>-</b>      | <b>5</b>   | <b>-</b>       | <b>-</b> | <b>5</b>       |

### 3 Fair value measurement (continued)

*Recognised fair value measurements (continued)*

|  | Vanguard Australian Fixed<br>Interest Index Fund      |                  |          |                  | Vanguard Australian<br>Government Bond Index Fund     |                |          |                  |
|--|---|------------------|----------|------------------|---|----------------|----------|------------------|
|  | Level 1   | Level 2          | Level 3  | Total            | Level 1   | Level 2        | Level 3  | Total            |
|  | \$'000  | \$'000           | \$'000   | \$'000           | \$'000  | \$'000         | \$'000   | \$'000           |
| <b>31 December 2017</b>  |   |                  |          |                  |   |                |          |                  |
| <b>Financial assets</b>  |   |                  |          |                  |   |                |          |                  |
| Financial assets held for trading:                                   |   |                  |          |                  |   |                |          |                  |
| Derivatives  | 20  | -                | -        | 20               | -   | -              | -        | -                |
| Financial assets designated at fair value<br>through profit or loss: |   |                  |          |                  |   |                |          |                  |
| Fixed interest securities  | -   | 5,547,771        | -        | 5,547,771        | -   | 480,690        | -        | 480,690          |
| <b>Total</b>   | <b>20</b>   | <b>5,547,771</b> | <b>-</b> | <b>5,547,791</b> | <b>-</b>  | <b>480,690</b> | <b>-</b> | <b>480,690</b>   |
| <b>Financial liabilities</b>   |   |                  |          |                  |   |                |          |                  |
| Financial liabilities held for trading:                              |   |                  |          |                  |   |                |          |                  |
| Derivatives  | -   | -                | -        | -                | 8   | -              | -        | 8                |
| <b>Total</b>   | <b>-</b>  | <b>-</b>         | <b>-</b> | <b>-</b>         | <b>8</b>  | <b>-</b>       | <b>-</b> | <b>8</b>         |
| <b>30 June 2017</b>  |   |                  |          |                  |   |                |          |                  |
| <b>Financial assets</b>  |   |                  |          |                  |   |                |          |                  |
| Financial assets held for trading:                                   |   |                  |          |                  |   |                |          |                  |
| Derivatives  | 9   | -                | -        | 9                | 3   | -              | -        | 3                |
| Financial assets designated at fair value<br>through profit or loss: |   |                  |          |                  |   |                |          |                  |
| Fixed interest securities  | -   | 5,555,229        | -        | 5,555,229        | -   | 491,398        | -        | 491,398          |
| <b>Total</b>   | <b>9</b>  | <b>5,555,229</b> | <b>-</b> | <b>5,555,238</b> | <b>3</b>  | <b>491,398</b> | <b>-</b> | <b>491,401</b>   |
| <b>Financial liabilities</b>   |   |                  |          |                  |   |                |          |                  |
| Financial liabilities held for trading:                              |   |                  |          |                  |   |                |          |                  |
| Derivatives  | 131   | -                | -        | 131              | -   | -              | -        | -                |
| <b>Total</b>   | <b>131</b>  | <b>-</b>         | <b>-</b> | <b>131</b>       | <b>-</b>  | <b>-</b>       | <b>-</b> | <b>-</b>         |
|  | Vanguard MSCI Australian Large<br>Companies Index ETF |                  |          |                  | Vanguard Australian Property<br>Securities Index Fund |                |          |                  |
|  | Level 1   | Level 2          | Level 3  | Total            | Level 1   | Level 2        | Level 3  | Total            |
|  | \$'000  | \$'000           | \$'000   | \$'000           | \$'000  | \$'000         | \$'000   | \$'000           |
| <b>31 December 2017</b>  |   |                  |          |                  |   |                |          |                  |
| <b>Financial assets</b>  |   |                  |          |                  |   |                |          |                  |
| Financial assets designated at fair value<br>through profit or loss: |   |                  |          |                  |   |                |          |                  |
| Equity securities  | 73,417  | -                | -        | 73,417           | 58,149  | -              | -        | 58,149           |
| Listed unit trusts   | 7,865   | -                | -        | 7,865            | 4,912,958   | 109            | -        | 4,913,067        |
| <b>Total</b>   | <b>81,282</b>   | <b>-</b>         | <b>-</b> | <b>81,282</b>    | <b>4,971,107</b>                                      | <b>109</b>     | <b>-</b> | <b>4,971,216</b> |
| <b>Financial liabilities</b>   |   |                  |          |                  |   |                |          |                  |
| Financial liabilities held for trading:                              |   |                  |          |                  |   |                |          |                  |
| Derivatives  | -   | -                | -        | -                | 37  | -              | -        | 37               |
| <b>Total</b>   | <b>-</b>  | <b>-</b>         | <b>-</b> | <b>-</b>         | <b>37</b>   | <b>-</b>       | <b>-</b> | <b>37</b>        |
| <b>30 June 2017</b>  |   |                  |          |                  |   |                |          |                  |
| <b>Financial assets</b>  |   |                  |          |                  |   |                |          |                  |
| Financial assets designated at fair value<br>through profit or loss: |   |                  |          |                  |   |                |          |                  |
| Equity securities  | 64,308  | -                | -        | 64,308           | 52,666  | -              | -        | 52,666           |
| Listed unit trusts   | 6,678   | -                | -        | 6,678            | 4,590,646   | -              | -        | 4,590,646        |
| <b>Total</b>   | <b>70,986</b>   | <b>-</b>         | <b>-</b> | <b>70,986</b>    | <b>4,643,312</b>                                      | <b>-</b>       | <b>-</b> | <b>4,643,312</b> |
| <b>Financial liabilities</b>   |   |                  |          |                  |   |                |          |                  |
| Financial liabilities held for trading:                              |   |                  |          |                  |   |                |          |                  |
| Derivatives  | -   | -                | -        | -                | 1,133   | -              | -        | 1,133            |
| <b>Total</b>   | <b>-</b>  | <b>-</b>         | <b>-</b> | <b>-</b>         | <b>1,133</b>  | <b>-</b>       | <b>-</b> | <b>1,133</b>     |

### 3 Fair value measurement (continued)

*Recognised fair value measurements (continued)*

|   | Vanguard Australian<br>Shares High Yield Fund         |           |          |                  | Vanguard Australian<br>Shares Index Fund |            |          |                   |
|---|---|-----------|----------|------------------|--|------------|----------|-------------------|
|   | Level 1   | Level 2   | Level 3  | Total            | Level 1                                  | Level 2    | Level 3  | Total             |
|   | \$'000  | \$'000    | \$'000   | \$'000           | \$'000                                   | \$'000     | \$'000   | \$'000            |
| <b>31 December 2017</b>   |   |           |          |                  |  |            |          |                   |
| <b>Financial assets</b>   |   |           |          |                  |  |            |          |                   |
| Financial assets designated at fair value through profit or loss: |   |           |          |                  |  |            |          |                   |
| Equity securities   | 1,824,069   | -         | -        | 1,824,069        | 10,630,565                               | 622        | -        | 10,631,187        |
| Listed unit trusts  | 141,191   | -         | -        | 141,191          | 1,392,083                                | 18         | -        | 1,392,101         |
| <b>Total</b>  | <b>1,965,260</b>                                      | <b>-</b>  | <b>-</b> | <b>1,965,260</b> | <b>12,022,648</b>                        | <b>640</b> | <b>-</b> | <b>12,023,288</b> |
| <b>Financial liabilities</b>                                      |   |           |          |                  |  |            |          |                   |
| Financial liabilities held for trading:                           |   |           |          |                  |  |            |          |                   |
| Derivatives   | 68  | -         | -        | 68               | -  | -          | -        | -                 |
| <b>Total</b>  | <b>68</b>   | <b>-</b>  | <b>-</b> | <b>68</b>        | <b>-</b>                                 | <b>-</b>   | <b>-</b> | <b>-</b>          |
| <b>30 June 2017</b>   |   |           |          |                  |  |            |          |                   |
| <b>Financial assets</b>   |   |           |          |                  |  |            |          |                   |
| Financial assets held for trading:                                |   |           |          |                  |  |            |          |                   |
| Derivatives   | 9   | -         | -        | 9                | -  | -          | -        | -                 |
| Financial assets designated at fair value through profit or loss: |   |           |          |                  |  |            |          |                   |
| Equity securities   | 1,579,371   | -         | -        | 1,579,371        | 9,062,110                                | 838        | -        | 9,062,948         |
| Listed unit trusts  | 148,046   | -         | -        | 148,046          | 1,213,052                                | -          | -        | 1,213,052         |
| <b>Total</b>  | <b>1,727,426</b>                                      | <b>-</b>  | <b>-</b> | <b>1,727,426</b> | <b>10,275,162</b>                        | <b>838</b> | <b>-</b> | <b>10,276,000</b> |
| <b>Financial liabilities</b>                                      |   |           |          |                  |  |            |          |                   |
| Financial liabilities held for trading:                           |   |           |          |                  |  |            |          |                   |
| Derivatives   | -   | -         | -        | -                | 795                                      | -          | -        | 795               |
| <b>Total</b>  | <b>-</b>  | <b>-</b>  | <b>-</b> | <b>-</b>         | <b>795</b>                               | <b>-</b>   | <b>-</b> | <b>795</b>        |
|   |   |           |          |                  |  |            |          |                   |
|   | Vanguard MSCI Australian Small<br>Companies Index ETF |           |          |                  | Vanguard FTSE Europe<br>Shares ETF       |            |          |                   |
|   | Level 1   | Level 2   | Level 3  | Total            | Level 1                                  | Level 2    | Level 3  | Total             |
|   | \$'000  | \$'000    | \$'000   | \$'000           | \$'000                                   | \$'000     | \$'000   | \$'000            |
| <b>31 December 2017</b>   |   |           |          |                  |  |            |          |                   |
| <b>Financial assets</b>   |   |           |          |                  |  |            |          |                   |
| Financial assets designated at fair value through profit or loss: |   |           |          |                  |  |            |          |                   |
| Equity securities   | 122,772   | 52        | -        | 122,824          | -  | -          | -        | -                 |
| Listed unit trusts  | 15,965  | -         | -        | 15,965           | 140,102                                  | -          | -        | 140,102           |
| <b>Total</b>  | <b>138,737</b>  | <b>52</b> | <b>-</b> | <b>138,789</b>   | <b>140,102</b>                           | <b>-</b>   | <b>-</b> | <b>140,102</b>    |
| <b>30 June 2017</b>   |   |           |          |                  |  |            |          |                   |
| <b>Financial assets</b>   |   |           |          |                  |  |            |          |                   |
| Financial assets designated at fair value through profit or loss: |   |           |          |                  |  |            |          |                   |
| Equity securities   | 80,476  | 78        | -        | 80,554           | -  | -          | -        | -                 |
| Listed unit trusts  | 12,017  | -         | -        | 12,017           | 82,400                                   | -          | -        | 82,400            |
| <b>Total</b>  | <b>92,493</b>   | <b>78</b> | <b>-</b> | <b>92,571</b>    | <b>82,400</b>                            | <b>-</b>   | <b>-</b> | <b>82,400</b>     |

### 3 Fair value measurement (continued)

*Recognised fair value measurements (continued)*

|  | Vanguard Global Aggregate<br>Bond Index Fund (Hedged)    |                  |          |                  | Vanguard FTSE Emerging<br>Markets Shares ETF                    |                  |          |                  |
|--|--|------------------|----------|------------------|---|------------------|----------|------------------|
|  | Level 1  | Level 2          | Level 3  | Total            | Level 1   | Level 2          | Level 3  | Total            |
|  | \$'000   | \$'000           | \$'000   | \$'000           | \$'000  | \$'000           | \$'000   | \$'000           |
| <b>31 December 2017</b>  |  |                  |          |                  |   |                  |          |                  |
| <b>Financial assets</b>  |  |                  |          |                  |   |                  |          |                  |
| Financial assets held for trading:                                   |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 82   | 112,412          | -        | 112,494          | -   | -                | -        | -                |
| Financial assets designated at fair value<br>through profit or loss: |  |                  |          |                  |   |                  |          |                  |
| Fixed interest securities  | -  | 2,727,808        | -        | 2,727,808        | -   | -                | -        | -                |
| Listed unit trusts   | -  | -                | -        | -                | 178,051   | -                | -        | 178,051          |
| <b>Total</b>   | <b>82</b>  | <b>2,840,220</b> | <b>-</b> | <b>2,840,302</b> | <b>178,051</b>  | <b>-</b>         | <b>-</b> | <b>178,051</b>   |
| <b>Financial liabilities</b>   |  |                  |          |                  |   |                  |          |                  |
| Financial liabilities held for trading:                              |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 66   | 43,688           | -        | 43,754           | -   | -                | -        | -                |
| <b>Total</b>   | <b>66</b>  | <b>43,688</b>    | <b>-</b> | <b>43,754</b>    | <b>-</b>  | <b>-</b>         | <b>-</b> | <b>-</b>         |
| <b>30 June 2017</b>  |  |                  |          |                  |   |                  |          |                  |
| <b>Financial assets</b>  |  |                  |          |                  |   |                  |          |                  |
| Financial assets held for trading:                                   |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | -  | -                | -        | -                | -   | 1                | -        | 1                |
| Financial assets designated at fair value<br>through profit or loss: |  |                  |          |                  |   |                  |          |                  |
| Fixed interest securities  | -  | -                | -        | -                | -   | -                | -        | -                |
| Listed unit trusts   | -  | -                | -        | -                | 110,152   | -                | -        | 110,152          |
| <b>Total</b>   | <b>-</b>   | <b>-</b>         | <b>-</b> | <b>-</b>         | <b>110,152</b>  | <b>1</b>         | <b>-</b> | <b>110,153</b>   |
|  | Vanguard MSCI Index International<br>Shares (Hedged) ETF |                  |          |                  | Vanguard International<br>Credit Securities Index Fund (Hedged) |                  |          |                  |
|  | Level 1  | Level 2          | Level 3  | Total            | Level 1   | Level 2          | Level 3  | Total            |
|  | \$'000   | \$'000           | \$'000   | \$'000           | \$'000  | \$'000           | \$'000   | \$'000           |
| <b>31 December 2017</b>  |  |                  |          |                  |   |                  |          |                  |
| <b>Financial assets</b>  |  |                  |          |                  |   |                  |          |                  |
| Financial assets held for trading:                                   |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 135  | 15,893           | -        | 16,028           | 18  | 23,460           | -        | 23,478           |
| Financial assets designated at fair value<br>through profit or loss: |  |                  |          |                  |   |                  |          |                  |
| Fixed interest securities  | -  | -                | -        | -                | -   | 754,452          | -        | 754,452          |
| Unlisted unit trusts   | -  | 372,699          | -        | 372,699          | -   | -                | -        | -                |
| <b>Total</b>   | <b>135</b>   | <b>388,592</b>   | <b>-</b> | <b>388,727</b>   | <b>18</b>   | <b>777,912</b>   | <b>-</b> | <b>777,930</b>   |
| <b>Financial liabilities</b>   |  |                  |          |                  |   |                  |          |                  |
| Financial liabilities held for trading:                              |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 50   | 6,312            | -        | 6,362            | 18  | 3,133            | -        | 3,151            |
| <b>Total</b>   | <b>50</b>  | <b>6,312</b>     | <b>-</b> | <b>6,362</b>     | <b>18</b>   | <b>3,133</b>     | <b>-</b> | <b>3,151</b>     |
| <b>30 June 2017</b>  |  |                  |          |                  |   |                  |          |                  |
| <b>Financial assets</b>  |  |                  |          |                  |   |                  |          |                  |
| Financial assets held for trading:                                   |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 6  | 7,960            | -        | 7,966            | 23  | 46,372           | -        | 46,395           |
| Financial assets designated at fair value<br>through profit or loss: |  |                  |          |                  |   |                  |          |                  |
| Fixed interest securities  | -  | -                | -        | -                | -   | 1,511,438        | -        | 1,511,438        |
| Unlisted unit trusts   | -  | 239,288          | -        | 239,288          | -   | -                | -        | -                |
| <b>Total</b>   | <b>6</b>   | <b>247,248</b>   | <b>-</b> | <b>247,254</b>   | <b>23</b>   | <b>1,557,810</b> | <b>-</b> | <b>1,557,833</b> |
| <b>Financial liabilities</b>   |  |                  |          |                  |   |                  |          |                  |
| Financial liabilities held for trading:                              |  |                  |          |                  |   |                  |          |                  |
| Derivatives  | 81   | 1,457            | -        | 1,538            | 66  | 9,365            | -        | 9,431            |
| <b>Total</b>   | <b>81</b>  | <b>1,457</b>     | <b>-</b> | <b>1,538</b>     | <b>66</b>   | <b>9,365</b>     | <b>-</b> | <b>9,431</b>     |

### 3 Fair value measurement (continued)

*Recognised fair value measurements (continued)*

|   | Vanguard International<br>Fixed Interest Index Fund (Hedged) |                  |          |                  | Vanguard International<br>Shares Index Fund |              |          |                   |
|---|--|------------------|----------|------------------|---|--------------|----------|-------------------|
|   | Level 1  | Level 2          | Level 3  | Total            | Level 1                                     | Level 2      | Level 3  | Total             |
|   | \$'000   | \$'000           | \$'000   | \$'000           | \$'000                                      | \$'000       | \$'000   | \$'000            |
| <b>31 December 2017</b>   |  |                  |          |                  |   |              |          |                   |
| <b>Financial assets</b>   |  |                  |          |                  |   |              |          |                   |
| Financial assets held for trading:                                |  |                  |          |                  |   |              |          |                   |
| Derivatives   | 4  | 78,825           | -        | 78,829           | 119   | 14           | -        | 133               |
| Financial assets designated at fair value through profit or loss: |  |                  |          |                  |   |              |          |                   |
| Fixed interest securities   | -  | 1,735,282        | -        | 1,735,282        | -   | -            | -        | -                 |
| Equity securities   | -  | -                | -        | -                | 14,163,197                                  | 893          | -        | 14,164,090        |
| <b>Total</b>  | <b>4</b>   | <b>1,814,107</b> | <b>-</b> | <b>1,814,111</b> | <b>14,163,316</b>                           | <b>907</b>   | <b>-</b> | <b>14,164,223</b> |
| <b>Financial liabilities</b>                                      |  |                  |          |                  |   |              |          |                   |
| Financial liabilities held for trading:                           |  |                  |          |                  |   |              |          |                   |
| Derivatives   | -  | 29,942           | -        | 29,942           | 408   | 40           | -        | 448               |
| <b>Total</b>  | <b>-</b>   | <b>29,942</b>    | <b>-</b> | <b>29,942</b>    | <b>408</b>                                  | <b>40</b>    | <b>-</b> | <b>448</b>        |
| <b>30 June 2017</b>   |  |                  |          |                  |   |              |          |                   |
| <b>Financial assets</b>   |  |                  |          |                  |   |              |          |                   |
| Financial assets held for trading:                                |  |                  |          |                  |   |              |          |                   |
| Derivatives   | 30   | 86,858           | -        | 86,888           | -   | 222          | -        | 222               |
| Financial assets designated at fair value through profit or loss: |  |                  |          |                  |   |              |          |                   |
| Fixed interest securities   | -  | 3,143,246        | -        | 3,143,246        | -   | -            | -        | -                 |
| Equity securities   | -  | -                | -        | -                | 11,777,030                                  | 872          | -        | 11,777,902        |
| <b>Total</b>  | <b>30</b>  | <b>3,230,104</b> | <b>-</b> | <b>3,230,134</b> | <b>11,777,030</b>                           | <b>1,094</b> | <b>-</b> | <b>11,778,124</b> |
| <b>Financial liabilities</b>                                      |  |                  |          |                  |   |              |          |                   |
| Financial liabilities held for trading:                           |  |                  |          |                  |   |              |          |                   |
| Derivatives   | -  | 3,133            | -        | 3,133            | 781   | 305          | -        | 1,086             |
| <b>Total</b>  | <b>-</b>   | <b>3,133</b>     | <b>-</b> | <b>3,133</b>     | <b>781</b>                                  | <b>305</b>   | <b>-</b> | <b>1,086</b>      |

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 tables present the transfers between levels during the half-year ended 31 December 2017:

|                                  | Vanguard FTSE Asia<br>ex Japan Shares<br>Index ETF |         |         | Vanguard Australian<br>Property Securities<br>Index Fund |         |         | Vanguard<br>Australian Shares<br>Index Fund |         |         |
|----------------------------------|--|---------|---------|--|---------|---------|---|---------|---------|
|                                  | Level 1  | Level 2 | Level 3 | Level 1  | Level 2 | Level 3 | Level 1                                     | Level 2 | Level 3 |
|                                  | \$'000   | \$'000  | \$'000  | \$'000   | \$'000  | \$'000  | \$'000                                      | \$'000  | \$'000  |
| <b>31 December 2017</b>          |  |         |         |  |         |         |   |         |         |
| Transfers between level 1 and 2: |  |         |         |  |         |         |   |         |         |
| Equity securities                | (5)  | 5       | -       | (109)  | 109     | -       | (18)  | 18      | -       |
| Transfers between level 2 and 1: |  |         |         |  |         |         |   |         |         |
| Equity securities                | 1,229  | (1,229) | -       | -  | -       | -       | -   | -       | -       |
| <b>30 June 2017</b>              |  |         |         |  |         |         |   |         |         |
| Transfers between level 1 and 2: |  |         |         |  |         |         |   |         |         |
| Equity securities                | (717)  | 717     | -       | -  | -       | -       | (216)                                       | 216     | -       |

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

#### 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.

On 1 July 2017, the Funds have elected into the AMIT tax regime. The Fund Constitutions have been amended on the same date and they no longer have a contractual obligation to pay distributions to unitholders. The impact of this for the Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard MSCI Australian Large Companies Index ETF, Vanguard MSCI Australian Small Companies Index ETF, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard MSCI Index International Shares (Hedged) ETF is that their net assets attributable to unitholders is no longer disclosed as a liability, but rather as equity. As a result of the reclassification, the Funds' distributions are no longer classified as finance cost in the statement of comprehensive income, but rather as distributions paid in the statement of changes in equity. For the remaining Funds, their net assets attributable to unitholders remain disclosed as a liability as their multi-class structure means they have not met the strict criteria for recognition as equity, despite their election into the AMIT tax regime also.

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

|   | Vanguard FTSE Asia ex Japan<br>Shares Index ETF |                |                |                | Vanguard MSCI Australian Large<br>Companies Index ETF |                |                |                |
|---|---|----------------|----------------|----------------|---|----------------|----------------|----------------|
|   | 31 Dec<br>2017                                  | 31 Dec<br>2016 | 31 Dec<br>2017 | 31 Dec<br>2016 | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017 | 31 Dec<br>2016 |
|   | No. '000  | No. '000       | \$'000         | \$'000         | No. '000  | No. '000       | \$'000         | \$'000         |
| Balance as at 1 July *  | 466   | 460            | 27,326         | 22,985         | 1,189   | 1,067          | 71,133         | 58,976         |
| Applications  | 335   | -              | 21,218         | -              | 120   | 40             | 7,321          | 2,326          |
| Redemptions   | -   | -              | -              | -              | -   | -              | -              | -              |
| Units issued upon reinvestment of distributions               | 3   | -              | 148            | 10             | 2   | 1              | 95             | 73             |
| Increase/(decrease) in net assets attributable to unitholders | -   | -              | -              | 1,055          | -   | -              | -              | 5,035          |
| Distributions paid and payable                                | -   | -              | (569)          | -              | -   | -              | (2,228)        | -              |
| Profit/(loss) for the half-year                               | -   | -              | 4,107          | -              | -   | -              | 5,013          | -              |
| <b>Closing balance as at 31 December *</b>                    | <b>804</b>                                      | <b>460</b>     | <b>52,230</b>  | <b>24,050</b>  | <b>1,311</b>  | <b>1,108</b>   | <b>81,334</b>  | <b>66,410</b>  |

|   | Vanguard MSCI Australian Small<br>Companies Index ETF |                |                |                | Vanguard FTSE Europe<br>Shares ETF |                |                |                |
|---|---|----------------|----------------|----------------|------------------------------------|----------------|----------------|----------------|
|   | 31 Dec<br>2017  | 31 Dec<br>2016 | 31 Dec<br>2017 | 31 Dec<br>2016 | 31 Dec<br>2017                     | 31 Dec<br>2016 | 31 Dec<br>2017 | 31 Dec<br>2016 |
|   | No. '000  | No. '000       | \$'000         | \$'000         | No. '000                           | No. '000       | \$'000         | \$'000         |
| Balance as at 1 July *  | 1,876   | 1,671          | 92,012         | 76,971         | 1,600                              | 120            | 82,374         | 5,400          |
| Applications  | 620   | 280            | 32,374         | 13,538         | 985                                | 20             | 51,995         | 897            |
| Redemptions   | -   | (480)          | -              | (23,339)       | -                                  | (40)           | -              | (1,908)        |
| Units issued upon reinvestment of distributions               | 7   | 3              | 341            | 118            | 1                                  | -              | 24             | 5              |
| Increase/(decrease) in net assets attributable to unitholders | -   | -              | -              | 4,052          | -                                  | -              | -              | 351            |
| Distributions paid and payable                                | -   | -              | (1,457)        | -              | -                                  | -              | (978)          | -              |
| Profit/(loss) for the half-year                               | -   | -              | 15,513         | -              | -                                  | -              | 6,752          | -              |
| <b>Closing balance as at 31 December *</b>                    | <b>2,503</b>  | <b>1,474</b>   | <b>138,783</b> | <b>71,340</b>  | <b>2,586</b>                       | <b>100</b>     | <b>140,167</b> | <b>4,745</b>   |

\* Net assets attributable to unitholders are classified as equity at 31 December 2017 and as a financial liability at 30 June 2017. Refer to note 2 for further details.



**4 Net assets attributable to unitholders (continued)**

|   | Vanguard FTSE Emerging Markets Shares ETF |              |                |               | Vanguard MSCI Index International Shares (Hedged) ETF |              |                |                |
|---|---|--------------|----------------|---------------|---|--------------|----------------|----------------|
|   | 31 Dec 2017                               | 31 Dec 2016  | 31 Dec 2017    | 31 Dec 2016   | 31 Dec 2017   | 31 Dec 2016  | 31 Dec 2017    | 31 Dec 2016    |
|   | No. '000                                  | No. '000     | \$'000         | \$'000        | No. '000  | No. '000     | \$'000         | \$'000         |
| Balance as at 1 July *  | 1,859                                     | 972          | 110,433        | 51,411        | 3,993   | 1,890        | 237,187        | 97,182         |
| Applications  | 870                                       | 260          | 55,124         | 14,225        | 1,690   | 860          | 104,454        | 46,723         |
| Redemptions   | -   | -            | -              | -             | -   | -            | -              | -              |
| Units issued upon reinvestment of distributions               | 2   | 1            | 147            | 76            | 18  | 3            | 1,061          | 142            |
| Increase/(decrease) in net assets attributable to unitholders | -   | -            | -              | 2,269         | -   | -            | -              | 12,358         |
| Distributions paid and payable                                | -   | -            | (1,920)        | -             | -   | -            | (3,650)        | -              |
| Profit/(loss) for the half-year                               | -   | -            | 14,456         | -             | -   | -            | 31,205         | -              |
| <b>Closing balance as at 31 December *</b>                    | <b>2,731</b>                              | <b>1,233</b> | <b>178,240</b> | <b>67,981</b> | <b>5,701</b>  | <b>2,753</b> | <b>370,257</b> | <b>156,405</b> |

\* Net assets attributable to unitholders are classified as equity at 31 December 2017 and as a financial liability at 30 June 2017. Refer to note 2 for further details.

**Vanguard Australian Corporate Fixed Interest Index Fund**

|   | Ordinary Class Units | ETF Class Units | Ordinary Class Units | ETF Class Units | Ordinary Class Units | ETF Class Units |                | Ordinary Class Units | ETF Class Units |                |
|---|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|----------------|----------------------|-----------------|----------------|
|   | 31 Dec 2017          | 31 Dec 2017     | 31 Dec 2016          | 31 Dec 2016     | 31 Dec 2017          | 31 Dec 2017     | Total          | 31 Dec 2016          | 31 Dec 2016     | Total          |
|   | No. '000             | No. '000        | No. '000             | No. '000        | \$'000               | \$'000          | \$'000         | \$'000               | \$'000          | \$'000         |
| Balance as at 1 July  | 61,950               | 750             | 72,082               | 80              |                      |                 | 100,670        |                      |                 | 78,191         |
| Applications  | 57,105               | 910             | 12,227               | 420             | 59,197               | 45,521          | 104,718        | 12,690               | 21,030          | 33,720         |
| Redemptions   | (14,643)             | -               | (9,664)              | -               | (15,105)             | -               | (15,105)       | (9,980)              | -               | (9,980)        |
| Units issued upon reinvestment of distributions               | 90                   | 89              | 98                   | -               | 92                   | 21              | 113            | 102                  | 4               | 106            |
| Increase/(decrease) in net assets attributable to unitholders | -                    | -               | -                    | -               | -                    | -               | 834            | -                    | -               | (1,627)        |
| <b>Closing balance as at 31 December</b>                      | <b>104,502</b>       | <b>1,749</b>    | <b>74,743</b>        | <b>500</b>      |                      |                 | <b>191,230</b> |                      |                 | <b>100,410</b> |

**Vanguard Australian Fixed Interest Index Fund**

|   | Ordinary Class Units | ETF Class Units | Ordinary Class Units | ETF Class Units | Ordinary Class Units | ETF Class Units |                  | Ordinary Class Units | ETF Class Units |                  |
|---|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|------------------|----------------------|-----------------|------------------|
|   | 31 Dec 2017          | 31 Dec 2017     | 31 Dec 2016          | 31 Dec 2016     | 31 Dec 2017          | 31 Dec 2017     | Total            | 31 Dec 2016          | 31 Dec 2016     | Total            |
|   | No. '000             | No. '000        | No. '000             | No. '000        | \$'000               | \$'000          | \$'000           | \$'000               | \$'000          | \$'000           |
| Balance as at 1 July  | 4,359,547            | 13,192          | 3,439,691            | 8,370           |                      |                 | 5,516,029        |                      |                 | 4,379,537        |
| Applications  | 672,711              | 870             | 571,849              | 3,410           | 754,498              | 42,365          | 796,863          | 654,415              | 170,695         | 825,110          |
| Redemptions   | (719,301)            | (150)           | (314,660)            | -               | (806,603)            | (7,237)         | (813,840)        | (360,854)            | -               | (360,854)        |
| Units issued upon reinvestment of distributions               | 31,594               | 10              | 47,073               | 13              | 35,249               | 481             | 35,730           | 54,256               | 632             | 54,888           |
| Increase/(decrease) in net assets attributable to unitholders | -                    | -               | -                    | -               | -                    | -               | (9,421)          | -                    | -               | (173,874)        |
| <b>Closing balance as at 31 December</b>                      | <b>4,344,551</b>     | <b>13,922</b>   | <b>3,743,953</b>     | <b>11,793</b>   |                      |                 | <b>5,525,361</b> |                      |                 | <b>4,724,807</b> |

**4 Net assets attributable to unitholders (continued)**

**Vanguard Australian Government Bond Index Fund**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                | Ordinary<br>Class Units | ETF<br>Class Units |                |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|----------------|-------------------------|--------------------|----------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total          | 31 Dec 2016             |                    | Total          |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000         | \$'000                  | \$'000             | \$'000         |
| Balance as at 1 July  | 344,288                 | 2,680              | 283,730                 | 2,025              |                         |                    | 488,288        |                         |                    | 406,200        |
| Applications  | 14,132                  | 200                | 52,761                  | 550                | 14,711                  | 9,784              | 24,495         | 55,990                  | 27,842             | 83,832         |
| Redemptions   | (22,850)                | (140)              | (44,258)                | -                  | (23,792)                | (6,877)            | (30,669)       | (46,622)                | -                  | (46,622)       |
| Units issued upon<br>reinvestment of distributions                  | 470                     | 4                  | 401                     | 2                  | 487                     | 169                | 656            | 430                     | 97                 | 527            |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | (559)          |                         |                    | (17,329)       |
| <b>Closing balance as at 31<br/>December</b>                        | <b>336,040</b>          | <b>2,744</b>       | <b>292,634</b>          | <b>2,577</b>       |                         |                    | <b>482,211</b> |                         |                    | <b>426,608</b> |

**Vanguard Australian Property Securities Index Fund**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                  | Ordinary<br>Class Units | ETF<br>Class Units |                  |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total            | 31 Dec 2016             |                    | Total            |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000           | \$'000                  | \$'000             | \$'000           |
| Balance as at 1 July  | 4,093,080               | 11,578             | 4,035,369               | 8,026              |                         |                    | 4,674,221        |                         |                    | 4,811,403        |
| Applications  | 433,186                 | 2,140              | 534,560                 | 1,960              | 415,897                 | 168,868            | 584,765          | 540,290                 | 155,533            | 695,823          |
| Redemptions   | (650,765)               | (980)              | (686,569)               | (80)               | (616,771)               | (78,805)           | (695,576)        | (674,316)               | (6,869)            | (681,185)        |
| Units issued upon<br>reinvestment of distributions                  | 31,624                  | 18                 | 44,351                  | 15                 | 29,410                  | 1,400              | 30,810           | 45,135                  | 1,277              | 46,412           |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | 406,206          |                         |                    | (273,431)        |
| <b>Closing balance as at 31<br/>December</b>                        | <b>3,907,125</b>        | <b>12,756</b>      | <b>3,927,711</b>        | <b>9,921</b>       |                         |                    | <b>5,000,426</b> |                         |                    | <b>4,599,022</b> |

**Vanguard Australian Shares High Yield Fund**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                  | Ordinary<br>Class Units | ETF<br>Class Units |                  |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total            | 31 Dec 2016             |                    | Total            |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000           | \$'000                  | \$'000             | \$'000           |
| Balance as at 1 July  | 583,232                 | 13,671             | 582,203                 | 11,155             |                         |                    | 1,729,794        |                         |                    | 1,449,845        |
| Applications  | 62,965                  | 2,900              | 38,102                  | 820                | 99,189                  | 177,810            | 276,999          | 56,359                  | 47,191             | 103,550          |
| Redemptions   | (38,493)                | -                  | (47,662)                | -                  | (60,519)                | -                  | (60,519)         | (70,540)                | -                  | (70,540)         |
| Units issued upon<br>reinvestment of distributions                  | 11,588                  | 69                 | 7,445                   | 40                 | 17,868                  | 4,141              | 22,009           | 10,797                  | 2,250              | 13,047           |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | 24,229           |                         |                    | 107,151          |
| <b>Closing balance as at 31<br/>December</b>                        | <b>619,292</b>          | <b>16,640</b>      | <b>580,088</b>          | <b>12,015</b>      |                         |                    | <b>1,992,512</b> |                         |                    | <b>1,603,053</b> |

**4 Net assets attributable to unitholders (continued)**

**Vanguard Australian Shares Index Fund**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                   | Ordinary<br>Class Units | ETF<br>Class Units |                  |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------|-------------------------|--------------------|------------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total             | 31 Dec 2016             |                    | Total            |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000            | \$'000                  | \$'000             | \$'000           |
| Balance as at 1 July  | 4,048,577               | 26,773             | 3,876,164               | 23,108             |                         |                    | 10,290,342        |                         |                    | 8,939,124        |
| Applications  | 446,908                 | 7,760              | 371,516                 | 5,000              | 942,137                 | 570,991            | 1,513,128         | 737,516                 | 345,446            | 1,082,962        |
| Redemptions   | (299,514)               | (440)              | (490,500)               | (2,580)            | (629,668)               | (33,665)           | (663,333)         | (969,566)               | (177,891)          | (1,147,457)      |
| Units issued upon<br>reinvestment of distributions                  | 83,394                  | 80                 | 59,678                  | 55                 | 171,309                 | 5,795              | 177,104           | 116,548                 | 3,867              | 120,415          |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | 659,718           |                         |                    | 631,755          |
| <b>Closing balance as at 31<br/>December</b>                        | <b>4,279,365</b>        | <b>34,173</b>      | <b>3,816,858</b>        | <b>25,583</b>      |                         |                    | <b>11,976,959</b> |                         |                    | <b>9,626,799</b> |

**Vanguard Global Aggregate Bond Index Fund (Hedged)**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                  | Ordinary<br>Class Units | ETF<br>Class Units |          |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|----------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total            | 31 Dec 2016             |                    | Total    |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000           | \$'000                  | \$'000             | \$'000   |
| Balance as at 1 July  | -                       | -                  | -                       | -                  |                         |                    | -                |                         |                    | -        |
| Applications  | 2,650,606               | 90                 | -                       | -                  | 2,656,029               | 4,522              | 2,660,551        | -                       | -                  | -        |
| Redemptions   | (30,411)                | -                  | -                       | -                  | (30,570)                | -                  | (30,570)         | -                       | -                  | -        |
| Units issued upon<br>reinvestment of distributions                  | 16,181                  | -                  | -                       | -                  | 16,215                  | -                  | 16,215           | -                       | -                  | -        |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | 10,814           |                         |                    | -        |
| <b>Closing balance as at 31<br/>December</b>                        | <b>2,636,376</b>        | <b>90</b>          | <b>-</b>                | <b>-</b>           |                         |                    | <b>2,657,010</b> |                         |                    | <b>-</b> |

**Vanguard International Credit Securities Index Fund (Hedged)**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                | Ordinary<br>Class Units | ETF<br>Class Units |                  |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|----------------|-------------------------|--------------------|------------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total          | 31 Dec 2016             |                    | Total            |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000         | \$'000                  | \$'000             | \$'000           |
| Balance as at 1 July  | 1,195,748               | 2,051              | 953,031                 | 220                |                         |                    | 1,508,958      |                         |                    | 1,180,821        |
| Applications  | 58,694                  | 505                | 198,616                 | 880                | 69,634                  | 24,898             | 94,532         | 246,495                 | 45,288             | 291,783          |
| Redemptions   | (714,852)               | (255)              | (79,936)                | -                  | (843,794)               | (12,415)           | (856,209)      | (98,928)                | -                  | (98,928)         |
| Units issued upon<br>reinvestment of distributions                  | 25,051                  | 4                  | 34,041                  | -                  | 29,517                  | 202                | 29,719         | 41,857                  | -                  | 41,857           |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | (3,370)        |                         |                    | (7,708)          |
| <b>Closing balance as at 31<br/>December</b>                        | <b>564,641</b>          | <b>2,305</b>       | <b>1,105,752</b>        | <b>1,100</b>       |                         |                    | <b>773,630</b> |                         |                    | <b>1,407,825</b> |

**4 Net assets attributable to unitholders (continued)**

**Vanguard International Fixed Interest Index Fund (Hedged)**

|   | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units |                  | Ordinary<br>Class Units | ETF<br>Class Units |                  |
|---|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|
|   | 31 Dec 2017             |                    | 31 Dec 2016             |                    | 31 Dec 2017             |                    | Total            | 31 Dec 2016             |                    | Total            |
|   | No. '000                | No. '000           | No. '000                | No. '000           | \$'000                  | \$'000             | \$'000           | \$'000                  | \$'000             | \$'000           |
| Balance as at 1 July  | 2,487,418               | 2,098              | 2,017,890               | 350                |                         |                    | 3,065,292        |                         |                    | 2,629,249        |
| Applications  | 144,209                 | 1,380              | 326,452                 | 730                | 172,045                 | 67,183             | 239,228          | 418,836                 | 38,192             | 457,028          |
| Redemptions   | (1,352,781)             | (170)              | (248,442)               | -                  | (1,610,358)             | (8,174)            | (1,618,532)      | (318,913)               | -                  | (318,913)        |
| Units issued upon<br>reinvestment of distributions                  | 33,343                  | 4                  | 23,743                  | -                  | 39,603                  | 190                | 39,793           | 30,733                  | -                  | 30,733           |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders | -                       | -                  | -                       | -                  |                         |                    | (16,105)         |                         |                    | (63,799)         |
| <b>Closing balance as at 31<br/>December</b>                        | <b>1,312,189</b>        | <b>3,312</b>       | <b>2,119,643</b>        | <b>1,080</b>       |                         |                    | <b>1,709,676</b> |                         |                    | <b>2,734,298</b> |

**Vanguard International Shares Index Fund**

|  | Ordinary<br>Class Units | ETF<br>Class Units | R<br>Class Units | B<br>Class Units | Ordinary<br>Class Units | ETF<br>Class Units | R<br>Class Units | B<br>Class Units |
|--|-------------------------|--------------------|------------------|------------------|-------------------------|--------------------|------------------|------------------|
|  | 31 Dec 2017             |                    |                  |                  | 31 Dec 2016             |                    |                  |                  |
|  | No. '000                | No. '000           | No. '000         | No. '000         | No. '000                | No. '000           | No. '000         | No. '000         |
| Balance as at 1 July                               | 5,498,219               | 8,753              | 31,298           | 3,756            | 6,330,423               | 35,567             | 4,045            | 1,666            |
| Applications                                       | 1,077,387               | 3,820              | 208              | 1,578            | 989,915                 | 4,822              | 1,730            | 863              |
| Redemptions  | (596,739)               | -                  | (984)            | -                | (1,714,788)             | (1,719)            | -                | (40)             |
| Units issued upon<br>reinvestment of distributions | 237,523                 | 18                 | 53               | 79               | 129,760                 | 51                 | 16               | 60               |
| <b>Closing balance as at 31<br/>December</b>       | <b>6,216,390</b>        | <b>12,591</b>      | <b>30,575</b>    | <b>5,413</b>     | <b>5,735,310</b>        | <b>38,721</b>      | <b>5,791</b>     | <b>2,549</b>     |

**Vanguard International Shares Index Fund**

|   | Ordinary<br>Class Units | ETF<br>Class Units | R<br>Class Units | B<br>Class Units |                   | Ordinary<br>Class Units | ETF<br>Class Units | R<br>Class Units | B<br>Class Units |                   |
|---|-------------------------|--------------------|------------------|------------------|-------------------|-------------------------|--------------------|------------------|------------------|-------------------|
|   | 31 Dec 2017             |                    |                  |                  | Total             | 31 Dec 2016             |                    |                  |                  | Total             |
|   | \$'000                  | \$'000             | \$'000           | \$'000           | \$'000            | \$'000                  | \$'000             | \$'000           | \$'000           | \$'000            |
| Balance as at 1 July  |                         |                    |                  |                  | 11,514,957        |                         |                    |                  |                  | 11,814,895        |
| Applications  | 2,132,613               | 238,476            | 415              | 97,572           | 2,469,076         | 1,832,631               | 8,912              | 96,974           | 48,111           | 1,986,628         |
| Redemptions   | (1,192,809)             | -                  | (2,006)          | -                | (1,194,815)       | (3,181,538)             | (3,181)            | -                | (2,372)          | (3,187,091)       |
| Units issued upon<br>reinvestment of distributions                  | 462,917                 | 1,086              | 102              | 4,798            | 468,903           | 235,290                 | 93                 | 865              | 3,278            | 239,526           |
| Increase/(decrease) in net<br>assets attributable to<br>unitholders |                         |                    |                  |                  | 977,979           |                         |                    |                  |                  | 981,981           |
| <b>Closing balance as at 31<br/>December</b>                        |                         |                    |                  |                  | <b>14,236,100</b> |                         |                    |                  |                  | <b>11,835,939</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.

## 5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

|                                    | Vanguard FTSE Asia ex Japan<br>Shares Index ETF |         |                |         | Vanguard MSCI Australian Large<br>Companies Index ETF |          |                |          |
|------------------------------------|---|---------|----------------|---------|---|----------|----------------|----------|
|                                    | 31 Dec<br>2017                                  |         | 31 Dec<br>2016 |         | 31 Dec<br>2017  |          | 31 Dec<br>2016 |          |
|                                    | \$'000  | CPU     | \$'000         | CPU     | \$'000  | CPU      | \$'000         | CPU      |
| Distribution paid - 30 September   | 395   | 69.0459 | 309            | 67.3088 | 1,458   | 119.0940 | 1,075          | 97.4615  |
| Distribution payable - 31 December | 174   | 20.7443 | 47             | 9.9793  | 770   | 58.2887  | 855            | 76.7791  |
|                                    | 569   | 89.7902 | 356            | 77.2881 | 2,228   | 177.3827 | 1,930          | 174.2406 |

|                                    | Vanguard MSCI Australian Small<br>Companies Index ETF |         |                |         | Vanguard FTSE Europe<br>Shares ETF |         |                |         |
|------------------------------------|---|---------|----------------|---------|------------------------------------|---------|----------------|---------|
|                                    | 31 Dec<br>2017  |         | 31 Dec<br>2016 |         | 31 Dec<br>2017                     |         | 31 Dec<br>2016 |         |
|                                    | \$'000  | CPU     | \$'000         | CPU     | \$'000                             | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September   | -   | -       | -              | -       | 331                                | 15.4419 | 26             | 18.6202 |
| Distribution payable - 31 December | 1,457   | 57.3724 | 1,072          | 72.7246 | 647                                | 24.8699 | 23             | 22.6752 |
|                                    | 1,457   | 57.3724 | 1,072          | 72.7246 | 978                                | 40.3118 | 49             | 41.2954 |

|                                    | Vanguard FTSE Emerging<br>Markets Shares ETF |         |                |         | Vanguard MSCI Index International<br>Shares (Hedged) ETF |         |                |     |
|------------------------------------|--|---------|----------------|---------|--|---------|----------------|-----|
|                                    | 31 Dec<br>2017                               |         | 31 Dec<br>2016 |         | 31 Dec<br>2017   |         | 31 Dec<br>2016 |     |
|                                    | \$'000                                       | CPU     | \$'000         | CPU     | \$'000   | CPU     | \$'000         | CPU |
| Distribution paid - 30 September   | 1,253  | 55.5631 | 551            | 49.7400 | -  | -       | -              | -   |
| Distribution payable - 31 December | 667  | 23.5353 | 239            | 18.3537 | 3,650  | 63.2913 | -              | -   |
|                                    | 1,920  | 79.0984 | 790            | 68.0937 | 3,650  | 63.2913 | -              | -   |

|                                    | Vanguard Australian Corporate Fixed Interest Index Fund<br>Ordinary Class units |        |                |        | ETF Class units |         |                |         |
|------------------------------------|---|--------|----------------|--------|-----------------|---------|----------------|---------|
|                                    | 31 Dec<br>2017  |        | 31 Dec<br>2016 |        | 31 Dec<br>2017  |         | 31 Dec<br>2016 |         |
|                                    | \$'000  | CPU    | \$'000         | CPU    | \$'000          | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September   | 477   | 0.5262 | 519            | 0.6888 | 313             | 25.3446 | 120            | 35.3233 |
| Distribution payable - 31 December | 722   | 0.6912 | 492            | 0.6584 | 551             | 33.0864 | 163            | 32.5834 |
|                                    | 1,199   | 1.2174 | 1,011          | 1.3472 | 864             | 58.4310 | 283            | 67.9067 |

|                                    | Vanguard Australian Fixed Interest Index Fund<br>Ordinary Class units |        |                |        | ETF Class units |         |                |         |
|------------------------------------|---|--------|----------------|--------|-----------------|---------|----------------|---------|
|                                    | 31 Dec<br>2017  |        | 31 Dec<br>2016 |        | 31 Dec<br>2017  |         | 31 Dec<br>2016 |         |
|                                    | \$'000  | CPU    | \$'000         | CPU    | \$'000          | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September   | 28,081  | 0.6515 | 33,968         | 0.9501 | 4,000           | 28.9810 | 4,566          | 42.0836 |
| Distribution payable - 31 December | 41,737  | 0.9607 | 32,842         | 0.8772 | 5,954           | 42.5302 | 4,564          | 38.4976 |
|                                    | 69,818  | 1.6122 | 66,810         | 1.8273 | 9,954           | 71.5112 | 9,130          | 80.5812 |

|                                    | Vanguard Australian Government Bond Index Fund<br>Ordinary Class units |        |                |        | ETF Class units |         |                |         |
|------------------------------------|--|--------|----------------|--------|-----------------|---------|----------------|---------|
|                                    | 31 Dec<br>2017   |        | 31 Dec<br>2016 |        | 31 Dec<br>2017  |         | 31 Dec<br>2016 |         |
|                                    | \$'000   | CPU    | \$'000         | CPU    | \$'000          | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September   | 1,763  | 0.5206 | 1,767          | 0.5898 | 705             | 25.7579 | 715            | 29.1949 |
| Distribution payable - 31 December | 2,468  | 0.7344 | 2,150          | 0.7347 | 985             | 35.4627 | 928            | 35.7155 |
|                                    | 4,231  | 1.2550 | 3,917          | 1.3245 | 1,690           | 61.2206 | 1,643          | 64.9104 |

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

| <b>Vanguard Australian Property Securities Index Fund</b>           |                        |               |                        |                        |                        |                 |                        |            |
|---|------------------------|---------------|------------------------|------------------------|------------------------|-----------------|------------------------|------------|
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>21,620</b>          | <b>0.5541</b> | 28,502                 | 0.6980                 | <b>5,442</b>           | <b>44.9916</b>  | 4,914                  | 57.6054    |
| Distribution payable - 31 December                                  | <b>10,872</b>          | <b>0.2783</b> | 55,271                 | 1.4072                 | <b>2,096</b>           | <b>15.5321</b>  | 11,603                 | 116.1108   |
|   | <b>32,492</b>          | <b>0.8324</b> | 83,773                 | 2.1052                 | <b>7,538</b>           | <b>60.5237</b>  | 16,517                 | 173.7162   |
| <b>Vanguard Australian Shares High Yield Fund</b>                   |                        |               |                        |                        |                        |                 |                        |            |
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>19,876</b>          | <b>3.2759</b> | 16,339                 | 2.8107                 | <b>19,818</b>          | <b>129.8604</b> | 13,115                 | 112.1813   |
| Distribution payable - 31 December                                  | <b>12,658</b>          | <b>2.2133</b> | 16,361                 | 2.8205                 | <b>11,147</b>          | <b>66.6263</b>  | 13,519                 | 112.1223   |
|   | <b>32,534</b>          | <b>5.4892</b> | 32,700                 | 5.6312                 | <b>30,965</b>          | <b>196.4867</b> | 26,634                 | 224.3036   |
| <b>Vanguard Australian Shares Index Fund</b>                        |                        |               |                        |                        |                        |                 |                        |            |
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>132,672</b>         | <b>3.2108</b> | 113,224                | 2.8985                 | <b>33,184</b>          | <b>100.8811</b> | 24,798                 | 102.0137   |
| Distribution payable - 31 December                                  | <b>82,278</b>          | <b>1.9227</b> | 100,634                | 2.6366                 | <b>23,514</b>          | <b>68.0989</b>  | 23,886                 | 92.7798    |
|   | <b>214,950</b>         | <b>5.1335</b> | 213,858                | 5.5351                 | <b>56,698</b>          | <b>168.9800</b> | 48,684                 | 194.7935   |
| <b>Vanguard Global Aggregate Bond Index Fund (Hedged)</b>           |                        |               |                        |                        |                        |                 |                        |            |
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>16,215</b>          | <b>0.7202</b> | -                      | -                      | -                      | -               | -                      | -          |
| Distribution payable - 31 December                                  | <b>9,654</b>           | <b>0.3662</b> | -                      | -                      | <b>17</b>              | <b>18.5328</b>  | -                      | -          |
|   | <b>25,869</b>          | <b>1.0864</b> | -                      | -                      | <b>17</b>              | <b>18.5328</b>  | -                      | -          |
| <b>Vanguard International Credit Securities Index Fund (Hedged)</b> |                        |               |                        |                        |                        |                 |                        |            |
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>13,279</b>          | <b>2.2337</b> | -                      | -                      | <b>3,297</b>           | <b>130.6183</b> | -                      | -          |
| Distribution payable - 31 December                                  | <b>5,274</b>           | <b>0.9341</b> | -                      | -                      | <b>916</b>             | <b>39.5875</b>  | -                      | -          |
|   | <b>18,553</b>          | <b>3.1678</b> | -                      | -                      | <b>4,213</b>           | <b>170.2058</b> | -                      | -          |
| <b>Vanguard International Fixed Interest Index Fund (Hedged)</b>    |                        |               |                        |                        |                        |                 |                        |            |
| <b>Ordinary Class units</b>   |                        |               |                        | <b>ETF Class units</b> |                        |                 |                        |            |
|   | <b>31 Dec<br/>2017</b> |               | <b>31 Dec<br/>2016</b> |                        | <b>31 Dec<br/>2017</b> |                 | <b>31 Dec<br/>2016</b> |            |
|   | <b>\$'000</b>          | <b>CPU</b>    | <b>\$'000</b>          | <b>CPU</b>             | <b>\$'000</b>          | <b>CPU</b>      | <b>\$'000</b>          | <b>CPU</b> |
| Distribution paid - 30 September                                    | <b>27,413</b>          | <b>1.9976</b> | -                      | -                      | <b>3,440</b>           | <b>110.9713</b> | -                      | -          |
| Distribution payable - 31 December                                  | <b>8,464</b>           | <b>0.6450</b> | -                      | -                      | <b>844</b>             | <b>25.3602</b>  | -                      | -          |
|   | <b>35,877</b>          | <b>2.6426</b> | -                      | -                      | <b>4,284</b>           | <b>136.3315</b> | -                      | -          |

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

| Vanguard International Shares Index Fund |         |        |                |        |                 |         |                |         |
|--|---------|--------|----------------|--------|-----------------|---------|----------------|---------|
| Ordinary and R Class units               |         |        |                |        | ETF Class units |         |                |         |
| 31 Dec<br>2017                           |         |        | 31 Dec<br>2016 |        | 31 Dec<br>2017  |         | 31 Dec<br>2016 |         |
|  | \$'000  | CPU    | \$'000         | CPU    | \$'000          | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September         | 48,253  | 0.7780 | 56,746         | 0.8221 | 2,530           | 23.7575 | 1,182          | 24.9066 |
| Distribution payable - 31 December       | 74,559  | 1.1935 | 67,110         | 1.1623 | 3,898           | 30.3604 | 2,097          | 35.5383 |
|  | 122,812 | 1.9715 | 123,856        | 1.9844 | 6,428           | 54.1179 | 3,279          | 60.4449 |

| Vanguard International Shares Index Fund |                |         |                |         |
|--|----------------|---------|----------------|---------|
| B Class units                            |                |         |                |         |
|  | 31 Dec<br>2017 |         | 31 Dec<br>2016 |         |
|  | \$'000         | CPU     | \$'000         | CPU     |
| Distribution paid - 30 September         | 1,128          | 23.1929 | 509            | 24.9623 |
| Distribution payable - 31 December       | 1,608          | 29.7043 | 901            | 35.3468 |
|  | 2,736          | 52.8972 | 1,410          | 60.3091 |

## 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 2017 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 2017 (2016: Nil).

**Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 35 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 2017 and of their performance, as represented by the results of their operations for the financial 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.



C Kelton  
Managing Director

Melbourne  
8 March 2018





## **Independent auditor's review report to the members of Vanguard Wholesale (ETF) Funds**

- Vanguard FTSE Asia ex Japan Shares Index ETF
- Vanguard Australian Corporate Fixed Interest Index Fund
- Vanguard Australian Fixed Interest Index Fund
- Vanguard Australian Government Bond Index Fund
- Vanguard MSCI Australian Large Companies Index ETF
- Vanguard Australian Property Securities Index Fund
- Vanguard Australian Shares High Yield Fund
- Vanguard Australian Shares Index Fund
- Vanguard MSCI Australian Small Companies Index ETF
- Vanguard FTSE Europe Shares ETF
- Vanguard Global Aggregate Bond Index (Hedged) Fund
- Vanguard FTSE Emerging Markets Shares ETF
- Vanguard MSCI Index International Shares (Hedged) ETF
- Vanguard International Credit Securities Index Fund (Hedged)
- Vanguard International Fixed Interest Index Fund (Hedged)
- Vanguard International Shares Index Fund

collectively referred to as “the Funds”.

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report the Funds, which comprises the balance sheets as at 31 December 2017, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

### ***Directors' responsibility for the half-year financial report***

The directors of Vanguard Investments Australia Ltd (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 determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Fund's financial positions as at 31 December 2017 and 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*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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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.

### *Independence*

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

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Funds is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Funds' financial positions as at 31 December 2017 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*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Britt Hawkins', followed by a long horizontal line.

Britt Hawkins  
Partner

Melbourne  
8 March 2018

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## Responsible Entity

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