


Vanguard Conservative Index Fund

This Product Disclosure Statement (PDS) is issued by Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 (Vanguard, we, us or our), and is a summary of significant information relating to the wholesale class of units in the Vanguard Conservative Index Fund ARSN 101 565 351 ABN 24 396 176 911 APIR® Code VAN0109AU (**Fund**). Vanguard is the responsible entity of the Fund. Unless stated or the context requires otherwise, a reference in this PDS to the 'Fund' is a reference to the wholesale class of units in the Fund.

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This PDS is a summary of significant information you, the investor, need to make a decision about the Fund. It includes references to other important information in the Vanguard Managed Funds Reference Guide (**Reference Guide**) as it applies to your account type that is taken to form part of this PDS. These references begin with an exclamation mark  and are in italics. You can locate the Reference Guide at www.vanguard.com.au/offerdocuments. You should also consider the Reference Guide in its entirety and other important information incorporated in this PDS before making your decision about the Fund. The material contained within the Reference Guide as at the issue date of this PDS may change between that date, the time when you read this PDS and the day you acquire the product.

The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice that is tailored to your personal circumstances from a licensed financial adviser. If you would like to request a printed copy of this PDS or any of the other important information that forms part of this PDS, please contact us.

Eligible investors

Direct new applications into the Fund are only permitted from institutional investors approved by Vanguard. New retail investors can access a range of Vanguard managed funds indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service). If you are investing indirectly, this PDS and the Reference Guide should be used for information purposes only. We may change the types of investors eligible to make direct applications by notice on our website. To find out if you are eligible to invest in a Fund directly or if you would like further information regarding Vanguard Personal Investor, please visit www.vanguard.com.au/personal or contact us.

Information in this PDS is current as at its issue date and may change from time to time. Where the changes are not materially adverse to you, the information may be updated on our website at www.vanguard.com.au. A paper copy of any updated information is available free of charge on request.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia or New Zealand to anyone whom it would not be lawful to make such an offer. Some of the content contained in this PDS will not apply to New Zealand investors. The offer is principally regulated under Australian law rather than New Zealand law. Applications from outside Australia or New Zealand will not be accepted through this PDS. For the avoidance of doubt, units in the Fund are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

This PDS is not a contract – it has been prepared to help you make a fully informed decision about whether the product is right for you.

The Vanguard Group, Inc. and its subsidiaries, including Vanguard, comprise the Vanguard Group of entities. None of the Vanguard Group entities, nor any of their related entities, directors or officers guarantee the repayment of capital or the performance of the Fund. Vanguard or its related entities or associates may invest in, lend to or provide services to the Fund. Vanguard may also invest, lend to, or provide services to funds or accounts owned or managed by its related entities or perform services for clients who have appointed Vanguard as investment manager. The allocation of aggregated investments amongst various funds and accounts will be conducted by Vanguard and its related entities in accordance with appropriate policies and procedures to manage any conflicts of interest.

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1. About Vanguard

Vanguard is a wholly owned subsidiary of The Vanguard Group, Inc. (VGI). With over AUD \$14.5 trillion in assets under management globally as of 31 August 2024, including AUD \$4.4 trillion in ETFs, VGI is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for over 25 years.

As the responsible entity of the Fund, Vanguard is responsible for the management and administration of the Fund. Vanguard is also the investment manager for the Fund and has appointed other entities within the Vanguard Group of entities to provide investment management related services to the Fund. Investors will be notified of any future change in the investment manager of the Fund and this PDS will be updated accordingly.

2. How the Vanguard Conservative Index Fund works

The Fund is a registered managed investment scheme. When you contribute money to a registered managed investment scheme, your money is pooled together with monies from other investors. We invest that money and manage the assets of the Fund on behalf of all investors in the Fund. The Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au has more information about managed investment schemes.

The Fund is divided into units. As an investor, you acquire units in the Fund. A unit represents a beneficial interest in the assets of the Fund as a whole (but not to any particular asset). Under the Fund's constitution (**Constitution**), we are permitted to establish different classes of units. This PDS relates only to the wholesale class of units of the Fund as a whole.

Unit prices

The value of a unit is determined by dividing the net asset value (total assets less total liabilities) by the number of units on issue in that class at the time of valuation.

Units are usually valued daily, except on public holidays, if a market is closed or the Fund is suspended. The value of units will change from time to time as the market value of the assets in the Fund rises or falls. The price you pay when contributing to the Fund (buying units) or receive when withdrawing from the Fund (selling units) is calculated as follows:

- Buy price = net asset value per unit plus the buy spread
- Sell price = net asset value per unit minus the sell spread

The buy/sell spread for the Fund is our reasonable estimate of the transaction costs that the Fund may incur to buy and sell assets when investing contributions and funding withdrawals. The buy/sell spread is retained in the Fund to meet these expenses and is not received by us. Please refer to section 6 'Fees and costs' for any buy/sell spreads applicable to the Fund. For information on unit prices visit our website or contact us.

Applications and withdrawals

You can acquire wholesale units in the Fund by following the relevant application process outlined in the Reference Guide. Subject to the minimum requirements and other applicable terms and conditions, you can increase your investment at any time by buying more units or decrease your investment by withdrawing or transferring some of your units.

The minimum initial investment in the Fund is \$500,000. We may, at our discretion, accept lower investment amounts.

You can request the withdrawal of all or part of your investment in the Fund by providing us with a withdrawal request. Withdrawals from the Fund are normally paid within three business days. However, the Constitution allows withdrawal proceeds to be paid within a longer period. In some circumstances you may not be able to withdraw your funds within the usual period upon request, for example, where there is a closure of the relevant market or exchange.

Fund distributions

Distributions may include income earned by the Fund or any other amounts that we consider appropriate for distribution. As at the date of this PDS, we intend for the distributions made by the Fund to be based on the taxable income earned by the Fund for each year. The income of the Fund will generally include income earned on holding and disposing of the assets of the Fund, if any.

Where the Fund is an "AMIT" (see "Taxation" section in the Reference Guide), as distributions for each period may be based on estimates or exclude certain types of income, the amount distributed may differ to the income attributed to investors for tax purposes. Any income of the Fund that is not distributed for the period will either be held back for distribution in a later period in the same financial year, or accumulated in the Fund. We may, from time to time, review the Fund's approach to distributions and elect to distribute on an alternative basis.

Distributions will generally be made on a quarterly basis, however we may elect to distribute at other times. Distributions will normally be paid within 10 business days following the end of the distribution period. The amount and timing of distributions will vary from period to period. You should be aware that there may be periods (including long periods of time) in which no distribution is made. If this should occur, details will be available on our website.

Distributions are calculated on a per unit basis and will be paid to investors based on the number and class of units held as at the end of the distribution period.

You can choose to have your distributions:

- reinvested in additional units; or
- paid directly to a nominated Australian bank account.

If you do not make a choice, distributions will be automatically reinvested in additional units in the Fund. Where your distribution is reinvested, the units you receive will be issued to you without a buy spread being added to the price you pay for those units. We reserve the right to reinvest any distributions following the death of the investor even if the investor's representative requests the distributions to be credited to an Australian bank account.

You may change your choice for distribution payments by completing a Change of Details Form located on our website. To ensure that the change to your distribution payments is effective for an upcoming distribution period, you should submit a Change of Details Form to Vanguard at least 5 business days before the end of that distribution period. Your new instruction will apply to all subsequent distributions.

⚠ You should read the important information about applications, withdrawals, switches, cut-off times, transfers, unit pricing and investor communication in the Reference Guide before making a decision. Go to sections "Applications", "Withdrawals", "Switches", "Cut-off times", "Transfers" and "Investor Communication" within "Institutional Investor Accounts" or "New Zealand Investor Accounts", as applicable, and "Unit pricing" within "All Investor Accounts" in the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to the subject matter above in the Reference Guide may change between the time when you read this PDS and the day you acquire the product.

Indirect investors

You may invest in the Fund offered in this PDS indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or a custody service). If you invest in this manner certain information in this PDS may not be relevant to you such as: applications and withdrawals, cut-off times, switches, fund distributions, investor communication, fees and costs, and cooling off rights. You should consult the offer document or client agreement through which you have invested.

New Zealand investors

New Zealand investors are offered units in the Fund on the basis of this PDS and may apply for units by submitting a Vanguard Wholesale Funds Application Form. There is some important information that New Zealand investors should consider before applying for units.

⚠ You should read the important information for New Zealand investors in the Reference Guide before making a decision. Go to

section “New Zealand Investor Accounts” of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to New Zealand investors in the Reference Guide may change between the time when you read this PDS and the day you acquire the product.

3. Benefits of investing in the Vanguard Conservative Index Fund

The significant features and benefits of investing in the Fund include:

COMPETITIVE LONG-TERM PERFORMANCE - Vanguard’s investment approach provides investors with an efficient way to capture long-term market performance.

DIVERSIFICATION - The Fund provides exposure to a diversified portfolio of securities, which means the Fund is less exposed to the performance fluctuations of individual securities. This moderates the volatility of the portfolio and ‘smooths out’ investment returns over time. The Fund provides exposure to a wide selection of available securities in the relevant index, generally holding significantly more securities than most active funds with the same index. From time to time, however, the number of securities in a given index may reduce due to factors such as index rebalancing.

TAX EFFICIENCY - Vanguard’s buy and hold strategy means that securities are generally held within a portfolio over a long period of time. If certain securities are held for more than 12 months, any capital gain (if applicable) on the disposal of those securities may be reduced under the capital gains tax discount rules - a tax efficient outcome for eligible investors.

The significant features and benefits of investing with Vanguard include:

GLOBAL INVESTMENT EXPERIENCE – When you invest with Vanguard, you have more than 45 years of global investment experience behind you. In Australia, we have been helping investors achieve long-term financial success for over 25 years.

CLIENT FOCUS – We are guided by our mission to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success. Our focus is to put our investors’ interests first to deliver a disciplined and consistent investment experience over the long term.

LOW COSTS – Our scale helps keep investing costs low – helping you keep more of your money.

4. Risks of managed investment schemes

All investments carry risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. It is important to keep in mind one of the principles of investing: the highest long-term returns may also carry the highest level of short-term risk. The value of the investments may go up and down, investment returns are not guaranteed, and investors may lose some or all of their money. The level of returns may vary and future returns may differ from past returns. Laws affecting registered managed investment schemes may also change in the future. The appropriate level of risk for each investor depends on a range of factors including age, investment time frames, where other parts of the investor’s wealth are invested and the investor’s risk tolerance.

Significant investment risks

Significant investment risks of investing in the Fund include:

MARKET RISK – Market risk is the possibility that market returns and/or value will decline overall. Financial markets tend to move in cycles, with periods of rising prices and periods of falling prices due to varying factors such as economic, social, environment, technological or political conditions as well as market sentiment.

SECURITY SPECIFIC RISK – The prices of securities a Fund invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market. This may include changes in a company’s operations, such as changes

in management, or changes in the market environment the company operates in, or actions by regulators or competitors.

DERIVATIVE RISK – A derivative is a contract between two or more parties that derives its price from one or more underlying assets, reference rates or indexes. Derivatives are generally used as an instrument to gain market exposure or to hedge risk; however they also create exposure to additional risks, which may be different from, or possibly greater than, the risks associated with investing directly in securities. These additional risks include the possibility that: the value of the derivative may fail to move in line with the underlying asset (a performance difference), the potential lack of liquidity of the derivative, or that the parties to the derivative contract may not be able to meet their obligations. Derivative contracts are not used to leverage the assets of the Fund. A derivative contract may also give rise to counterparty and collateral risks.

COUNTERPARTY RISK – Counterparties used in connection with a Fund’s investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency, bankruptcy or other events of default, which could result in substantial losses to the Fund. The Fund’s counterparties may include brokers, clearing houses and other agents.

SECURITIES LENDING RISK – There is a risk that a borrower defaults on its obligations to return securities. This may in turn lead to collateral and liquidity risks if the value of the collateral and/or liquidity of the replacement securities decreases. See “Securities Lending” in the Reference Guide for more information.

REGULATORY RISK – This is the risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, that affect the value of securities in which the Fund invests, the value of the units or the tax treatment of the Fund and its investors. The Fund may not be able to trade certain securities at any particular time due to the restrictions on trading securities in that jurisdiction or restrictions in other jurisdictions such as sanctions. A Fund may be affected by changes to legislation or government policy both in Australia and in other countries.

FUND RISK – Funds, in simple terms, pool the money of many individual investors. Therefore, investing in a fund may give rise to different outcomes as compared to investing in the underlying securities directly. As an investor in the Fund, your investment returns may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by Vanguard and different tax outcomes related to the tax laws applicable to the Fund. Distributions are not guaranteed, there may be various factors that impact the distributions and there may be periods where no distribution is paid. In addition, there is a risk that Vanguard could be replaced as the responsible entity for the Fund, or the Fund could terminate.

OPERATIONAL RISK – Funds are subject to a number of operational risks including in relation to the administration and reporting of the Funds and the possibility that errors are made in the provision of services to the Funds. The failure of a service provider to adequately administer or report accurately in relation to the Funds or their investments may adversely impact the operations or performance of the Funds. There is also a risk that circumstances beyond the reasonable control of Vanguard, may prevent us from managing the Funds in accordance with its investment strategy. Such occurrences may include strikes, industrial disputes, fires, war, civil disturbance, terrorist acts, state emergencies and epidemics. By investing in the Funds you agree that Vanguard is not liable to you if Vanguard is prevented from managing the Funds by circumstances beyond its reasonable control.

INDEX INACCURACY RISK – An index provider does not generally accept liability for the accuracy or completeness of the index data. There is a risk that an index provider makes errors in the construction of the index which may not be identified and corrected for a period of time. Vanguard does not provide a warranty or guarantee for index provider errors. Therefore, the gains, losses, or costs associated with an index provider’s errors will be borne by the Fund and its unitholders.

CURRENCY RISK – The risk that the value of a foreign investment, measured in the base currency of the Fund, will fluctuate because of

changes in currency exchange rates. Fluctuations in the value of the base currency of the Fund (for example, Australian dollars) relative to the foreign currencies can affect the returns of the Fund. A fall in the value of the base currency of the Fund relative to the foreign currencies may increase the value of the Fund while a rise in the value of the base currency of the Fund relative to these currencies could decrease the value of the Fund.

CURRENCY HEDGING RISK – Forward foreign exchange contracts are used to manage currency risk for the Fund thereby reducing the impact of currency fluctuations on the return of the Fund. However, currency hedging involves costs and implementation risks due to the volatility of currency and securities markets which could adversely impact the returns of the Fund. Currency hedges are reset on a periodic basis and, depending on fund strategy, may not be adjusted for daily changes in the value of the underlying assets. Currency hedging may also impact distributions from the Fund. When the base currency of the Fund, for example Australian dollars, is appreciating relative to other currencies, the gains from currency hedging may result in additional income being distributed by the Fund. Conversely, when the base currency of the Fund is depreciating relative to other currencies, the losses from currency hedging can offset other income received by the Fund, resulting in reduced or no income distribution for the period. This may impact the consistency of income received from the Fund.

CREDIT RISK – The issuer of fixed income or debt securities may fail to pay interest and principal in a timely manner (or at all) or negative perceptions of the issuer’s ability to make such payments may cause the price, and therefore value, of those securities to decline.

INTEREST RATE RISK – The value of fixed income securities may fluctuate as a result of changes in market interest rates. Generally, fixed income security values may fall when market interest rates rise. Conversely, when market interest rates fall, fixed income security values may rise. The degree of change varies depending on the term of the securities. Longer term securities are generally more impacted by interest rate risk than short term securities.

INCOME RISK – The chance that a Fund’s income will decline because of falling interest rates.

EMERGING MARKETS RISK – Emerging markets are typically considered more volatile and less liquid than developed markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

SPREAD RISK – Applications and withdrawals are subject to variations in the applicable buy/sell spread. The buy/sell spread can be varied at Vanguard’s discretion depending on, for example, market liquidity conditions or the total amount of cash received in applications or redemptions for units on any particular day.

INDEX TRACKING RISK – Vanguard employs an indexing investment strategy for the Fund. The Fund is not expected to perfectly replicate the performance of its benchmark index at all times. Each Fund is, however, expected to provide investment results that, before expenses, generally correspond to the performance of its respective benchmark index. Although Vanguard will monitor the performance of the Fund relative to the performance of its benchmark index (i.e. the “tracking accuracy”), there can be no assurance that the Fund will achieve any particular level of tracking accuracy. The following factors may adversely affect the tracking by a Fund of its respective benchmark index:

- the Fund must pay various expenses, while an index does not reflect any expenses;
- the temporary unavailability of certain securities comprising an index;
- the implementation of processes;
- the Fund may not be able to, or may choose not to, acquire every security in the benchmark or match the benchmark weight of every security. Instead, the Fund may hold a representative sample of weighted securities which are generally expected to closely, but not necessarily exactly, match the performance of the benchmark. This approach is used to address issues such as, but not limited to, small fund size, small or illiquid benchmark components or to mitigate or offset expenses.

UNDERLYING FUND RISK – The Fund may implement some or all of its investment strategy by investing in Underlying Funds. The Underlying Funds have separate investment objectives and investment strategies and as such, the Fund would be exposed to the Fund Risks that these funds have.

LIQUIDITY RISK – During more significant liquidity constraints, the ability to invest and liquidate the assets may, from time to time, be restricted by the liquidity of the market for those securities. This may in turn cause the delay in payment of withdrawals; or, in the case of applications, the delay in acquiring those securities could adversely impact the performance of the Fund. Depending on the liquidity conditions, buy/sell spreads may be adjusted.

THIRD PARTY DATA RISK – While Vanguard has systems and controls in place to oversee and review information provided by third parties including index providers, there is a risk that errors or undisclosed changes from third parties including index providers may result in exposure to investments that do not meet the criteria for inclusion in the index.

COLLATERAL RISK – Where a Fund receives collateral from a counterparty in order to manage counterparty risk, there is a risk that there is a decrease in the value of the collateral or there is insufficient collateral which results in the Fund incurring a loss in the event of a counterparty default.

OWNERSHIP LIMIT RISK – The ability of the Fund to purchase or sell selected securities in the Fund's target index, or to exercise rights on behalf of the Fund, may be restricted because of limitations on the aggregate level of investment for the Vanguard Group, unless regulatory or corporate consents are obtained. As a result, the Fund may be required to limit purchases, sell existing investments, or otherwise restrict or limit the exercise of shareholder rights by the Fund, including voting rights. If the Fund is required to limit its investment in a particular security, the Fund may be required seek to obtain economic exposure to that security through alternative means such as through derivatives, including a total return swap, which may be more costly than owning securities of the issuer directly. Ownership restrictions and limitations could result in unanticipated tax consequences to a Fund that may affect the amount, timing, and character of distributions to unitholders.

5. How we invest your money

WARNING: When it comes to choosing to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

Strategic asset allocation*		
Income assets	SAA (%)	Range (%)
Cash	10	8 – 12
Vanguard Cash Reserve Fund		
Australian fixed interest	18	16 – 20
Vanguard Australian Fixed Interest Index Fund		
Vanguard Australian Fixed Interest Index ETF		
International fixed interest (hedged)	42	40 – 44
Vanguard Global Aggregate Bond Index Fund (Hedged)		
Vanguard Global Aggregate Bond Index (Hedged) ETF		
Total income assets	70	68 – 72
Growth assets		
Australian shares	12	10 – 14
Vanguard Australian Shares Index Fund		
Vanguard Australian Shares Index ETF		
International shares	8.5	6.5 – 10.5
Vanguard International Shares Index Fund		
Vanguard MSCI Index International Shares ETF		

Strategic asset allocation*		
International shares (hedged)	5.5	3.5 – 7.5
Vanguard International Shares Index Fund (Hedged)		
Vanguard MSCI Index International Shares (Hedged) ETF		
International small companies	2	0 – 4
Vanguard International Small Companies Index Fund		
Vanguard MSCI International Small Companies Index ETF		
Emerging markets shares	2	0 – 4
Vanguard Emerging Markets Shares Index Fund		
Total growth assets	30	28 – 32

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Minimum suggested investment timeframe	3 years
Summary risk level	Medium: The Fund is expected to have the potential for relatively stable returns, with a low potential for loss of capital.
Who it may suit	Buy and hold investors with a moderate risk appetite, seeking a steady source of income with some capital growth potential.

Fund description, investment strategy and investment return objective

The Fund seeks to track the weighted average return of the indices of the underlying funds in proportion to the Strategic Asset Allocation (SAA), before taking into account fees, expenses and tax. The Fund seeks to achieve its objective by employing a passive investment strategy. The Fund will be exposed to most of the securities in the relevant indices by investing in the wholesale unit class and/or ETF unit class (where applicable) of the funds listed in the SAA table above (**Underlying Funds**). For more information about the Underlying Funds and the indices that they track, visit the Vanguard website at www.vanguard.com.au.

The Fund may invest directly in securities that are, have been or are expected to be in the indices of the Underlying Funds or in different

6. Fees and costs

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

TO FIND OUT MORE: If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website (<http://www.moneysmart.gov.au>) has a managed funds fee calculator to help you check out different fee options.

Our fees and costs

This section shows the fees and other costs you may be charged. This information can be used to compare costs between different simple managed investment schemes. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

funds. The Fund may also use, or be indirectly exposed to by investing in the Underlying Fund, derivatives including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so. The use of OTC derivatives, other than forward exchange contracts, will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund (or the Underlying Funds, where applicable) may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. In addition, Underlying Funds may undertake repurchase or reverse repurchase agreements.

Labour standards and environmental, social and ethical considerations

The Fund does not seek to implement a specific Environmental Social and Governance (ESG) strategy and is not designed for investors who wish to screen out particular types of companies or investments or are looking for funds that meet specific environmental, social, ethical and governance goals. The Fund is not marketed as an ESG product in Australia. Vanguard does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments in the Fund to track the performance of the relevant index.

Changing the investment objective and strategy

We may from time to time vary the investment objective and/or strategy of the Fund (or an Underlying Fund), including by changing the target index or strategic asset allocation. We will notify investors of any such changes in accordance with regulatory requirements.

! You should read the important information about how we invest your money in the Reference Guide before making a decision. Go to section "How Vanguard invests" and "Labour standards and environmental, social and ethical considerations" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to how we invest your money and labour standards and environmental, social and ethical considerations in the Reference Guide may change between the time when you read this PDS and the day you acquire the product.

Fees and costs summary

Vanguard Conservative Index Fund		
Type of fee or cost ¹	Amount	How and when paid
Ongoing annual fees and costs³		
<p><i>Management fees and costs</i> The fees and costs for managing your investment¹</p>	<p>0.29% p.a. of the net asset value (NAV) of the Fund comprised of:</p> <ol style="list-style-type: none"> 1. A management fee of 0.29% p.a. of the NAV of the Fund²; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the Fund; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the Fund. 	<ol style="list-style-type: none"> 1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month. This fee is payable from the Fund's assets. The amount of this fee can be negotiated by qualifying institutional investors. 2. Indirect costs are paid out of the Fund's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
<p><i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product</p>	Nil	The Fund does not charge a performance fee.
<p><i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets</p>	Estimated transaction costs of 0.00% p.a. of the NAV of the Fund ⁴	Transaction costs generally arise as a result of the day-to-day trading of the Fund's assets and are paid out of the Fund's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)³		
<p><i>Establishment fee</i> The fee to open your investment</p>	Nil	The Fund does not charge an establishment fee.
<p><i>Contribution fee</i> The fee on each amount contributed to your investment</p>	Nil	The Fund does not charge contribution fees.
<p><i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	Estimated to be 0.10% of the application amount on application and 0.10% of the withdrawal amount on withdrawal ⁵	Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.10% is charged on each application and a sell spread of 0.10% is charged on each withdrawal. This amount is reflected in the buy price and sell price respectively for units in the Fund and is not separately charged to you.
<p><i>Withdrawal fee</i> The fee on each amount you take out of your investment</p>	Nil	The Fund does not charge withdrawal fees.
<p><i>Exit fee</i> The fee to close your investment</p>	Nil	The Fund does not charge an exit fee.
<p><i>Switching fee</i> The fee for changing investment options</p>	Nil	The Fund does not charge switching fees.

¹ See the "Additional explanation of fees and costs" section below and in the Reference Guide for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST (and any applicable stamp duty) and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to Vanguard or to the extent to which any tax deduction may be passed on to investors.

² The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act 2001 (Cth) (Corporations Act). For further information refer to "Differential fees" in the "Additional explanation of fees and costs" section in the Reference Guide.

³ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Estimated costs are rounded to two decimal places. Normal operating expenses (excluding securities lending agent fees) that

would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.

⁴ Transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting investors. Transaction costs are rounded to two decimal places.

⁵ In estimating the buy/sell spread, we have assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Vanguard to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. We may vary the buy/sell spreads from time to time, including increasing these costs without advance notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a one-year period. You should use this table to compare this product with other products offered by simple managed investment schemes.

Example - Vanguard Conservative Index Fund		Balance of \$550,000 with a contribution of \$5,000 ¹ during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs ^{3,4}	0.29% p.a. of the NAV of the Fund	And, for every \$550,000 you have in the Fund, you will be charged or have deducted from your investment \$1,595 each year.
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	0.00% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS cost of fund		If you had an investment of \$550,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees and costs of \$1,595. What it costs you will depend on the investment option you choose and the fees you negotiate with Vanguard.

¹ The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and is based on an assumption that the \$5,000 investment in the Fund occurs on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$550,000 only). This example also assumes that the value of your investment in the Fund remains the same during the year.

² Additional fees may apply. A buy/sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in the Reference Guide for further details.

³ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Estimated costs are rounded to two decimal places as a percentage, and to the nearest full dollar figure in this example table. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.

⁴ The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to "Differential fees" in the "Additional explanation of fees and costs" section in the Reference Guide.

Additional explanation of fees and costs

Management fees and costs

Management fees and costs are made up of Vanguard's management fee as well as indirect costs and expense recoveries that are deducted from the returns of the Fund. You should refer to the Fund's website from time to time for any updates which are not materially adverse to you.

Managed funds calculator

We have a managed funds fee calculator on our website that can be used to calculate the impact of fees and costs on your account balance. ASIC also has a managed funds fee calculator on their

website at <http://www.moneysmart.gov.au> that can be used to calculate the effect of fees and costs on your account balance.

Advice fees

WARNING: If you consult a financial adviser, you may have to pay additional fees to the adviser. Please refer to your Statement of Advice for details of these fees (if any). No adviser will receive any commission from Vanguard relating to your investment in the Fund.

Changes to fees

We may alter the fees in accordance with the Constitution of the Fund. We will provide investors with at least 30 days' advance notice of any increase to our fees. The Constitution limits the amount of the management fee component (excluding GST) to 1.50% p.a. of the net asset value of the Fund. This limit does not apply to expenses of the Fund that we incur and cover out of the management fee or to any extraordinary expense of the Fund that is otherwise able to be recovered. Any increase to the management fee above this maximum will generally require unitholder approval.

⚠ You should read the important information about fees and costs in the Reference Guide before making a decision. Go to section “Additional explanation of fees and costs” of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to fees and costs in the Reference Guide may change between the time when you read this PDS and the day you acquire the product.

7. How managed investment schemes are taxed

WARNING: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

Registered managed investment schemes generally do not pay tax on behalf of investors. However, we may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the Fund to which you are entitled.

⚠ You should read the important information about taxation in the Reference Guide before making a decision. Go to section “Taxation” of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to taxation in the Reference Guide may change between the time when you read this PDS and the day you acquire the product.

8. How to apply

For more information about the process to apply, please refer to the ‘Applications’ section within the Reference Guide.

We may, in our absolute discretion, accept or refuse to accept, in whole or in part, any application or subscription for units. We need not give any reason for refusal. If for any reason we refuse or are unable to process your application to invest in the Fund, we will, subject to any legal and regulatory requirements, return your application money to you. You will not be entitled to interest on your application money in this circumstance. We are unable to process your application until all required information and/or supporting documentation is received.

Cooling off

If you invest \$500,000 or more in the Fund, you will generally be considered a wholesale client or investor. Wholesale clients, as defined in the Corporations Act, do not have cooling off rights in relation to making an investment in the Fund.

However, if we exercise our discretion to accept an investment of less than \$500,000 in the Fund, you may have the same cooling off rights as a retail investor. Retail investors have the right to a 14 day cooling off period during which time you may request in writing that Vanguard repay your investment. The 14 day period commences either from the time the investment is confirmed by Vanguard or 5 business days after the units are issued, whichever is the earlier. The amount repaid to you under the cooling off provisions may be less than the amount you invested. The amount repaid will be based on the sell price applicable for the day the request is received, and may be reduced by tax or duty paid or payable by you in relation to the acquisition and termination of the investment.

The right to cool off may not apply if you invest indirectly (for example, through a master trust, wrap platform or a nominee or a custody service), even if you are a retail investor. Indirect investors should seek advice from their platform operator or consult the relevant platform guide or similar type document as to whether cooling off rights apply.

Complaints

If you have a complaint, please contact us on any of the following channels so that we can work together towards a resolution.

Connect with Vanguard™ > vanguard.com.au

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Email: clientservices@vanguard.com.au
Phone: 1300 655 101 (from 8:00am to 6:00pm AET, Monday to Friday)
Secure message: via your Vanguard Online Secure Message Portal (where available)
Mail: Vanguard Investments Australia
GPO Box 1837, Melbourne VIC 3001

Our Complaints Handling Policy is available on our website and in hard copy upon request. We aim to resolve your complaint as quickly as possible. For most standard complaints, we will provide you with a written internal dispute resolution response within 30 calendar days after receiving your complaint. We may not provide you with a written response if your complaint is resolved within 5 business days. Complex complaints may have a different maximum timeframe for responding. We will notify you if a different maximum timeframe applies to your complaint.

In the event that you are not satisfied with the outcome of your complaint, you have the right to refer the matter to an external dispute resolution process – the Australian Financial Complaints Authority (AFCA). AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. You can make a complaint to AFCA online, by letter, email or by phone.

It is important to note that time limits apply to some types of complaints lodged with AFCA. The AFCA complaint resolution service may only be available to retail clients.

Australian Financial Complaints Authority
Website: <http://www.afca.org.au>
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
Mail: Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne VIC 3001

WARNING TO NEW ZEALAND INVESTORS: The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

9. Other Information

Investor communication

You can obtain up-to-date information about the Fund by visiting the Vanguard website. As an investor in the Fund, we'll keep you updated with any material information regarding your investment. For information that is sent directly to you, email is Vanguard's preferred means of sending you this information. Please ensure that you provide us with your email address on the Application Form.

Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations and we will meet our continuous disclosure obligations by disclosing new material information on the Vanguard website in accordance with ASIC's good practice guidance rather than lodging copies of those documents with ASIC.

Copies of any documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. You have a right to obtain a copy of the following documents from us at no charge: the Annual Financial Report most recently lodged with ASIC; any half-yearly Fund financial reports lodged with ASIC; and any continuous disclosure notices given for the Fund after the lodgement of an annual report and before the date of this PDS.

Privacy policy

We are committed to respecting the privacy of your personal information. To obtain a copy of our privacy policy or to access or update your personal information, visit our website, or contact Client Services on 1300 655 101, by email to clientservices@vanguard.com.au or by writing to Client Services, Vanguard Australia, Level 13, 130 Lonsdale Street, Melbourne, VIC, 3000.

Vanguard