

Vanguard[®]

Annual Report | 30 June 2018

Vanguard Multi-class Funds & Standalone ETFs

Responsible Entity

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Vanguard Multi-class Funds & Standalone ETFs

Vanguard FTSE Asia ex Japan Shares Index ETF	ASX: VAE	ARSN 606 451 110	ABN 50 411 576 623
Vanguard Australian Corporate Fixed Interest Index Fund	ASX: VACF	ARSN 147 938 001	ABN 51 978 865 366
Vanguard Australian Fixed Interest Index Fund	ASX: VAF	ARSN 090 939 941	ABN 52 931 145 473
Vanguard Australian Government Bond Index Fund	ASX: VGB	ARSN 134 177 807	ABN 23 499 844 319
Vanguard MSCI Australian Large Companies Index ETF	ASX: VLC	ARSN 147 936 105	ABN 17 468 108 459
Vanguard Australian Property Securities Index Fund	ASX: VAP	ARSN 090 939 549	ABN 27 186 332 271
Vanguard Australian Shares High Yield Fund	ASX: VH Y	ARSN 091 751 807	ABN 61 324 061 551
Vanguard Australian Shares Index Fund	ASX: VAS	ARSN 090 939 718	ABN 65 759 271 740
Vanguard MSCI Australian Small Companies Index ETF	ASX: VSO	ARSN 147 936 570	ABN 73 969 263 897
Vanguard FTSE Europe Shares ETF	ASX: VEQ	ARSN 606 480 086	ABN 30 252 933 265
Vanguard Global Aggregate Bond Index Fund (Hedged)	ASX: VBND	ARSN 618 350 539	ABN 14 933 513 845
Vanguard FTSE Emerging Markets Shares ETF	ASX: VGE	ARSN 147 937 906	ABN 91 542 729 566
Vanguard MSCI Index International Shares (Hedged) ETF	ASX: VGAD	ARSN 165 786 989	ABN 92 314 430 239
Vanguard International Credit Securities Index Fund (Hedged)	ASX: VCF	ARSN 095 366 055	ABN 15 118 646 737
Vanguard International Fixed Interest Index Fund (Hedged)	ASX: VIF	ARSN 090 940 337	ABN 59 108 266 812
Vanguard International Shares Index Fund	ASX: VGS	ARSN 090 939 610	ABN 56 291 101 711
Vanguard Global Minimum Volatility Fund	ASX: VMIN	ARSN 165 787 708	ABN 80 259 391 198
Vanguard Global Value Equity Fund	ASX: VVLU	ARSN 613 053 062	ABN 71 928 129 734
Vanguard International Shares Index Fund (Hedged)		ARSN 093 254 909	ABN 97 123 270 094
Vanguard International Shares Select Exclusions Index Fund		ARSN 613 045 739	ABN 45 215 187 041

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About Vanguard

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

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

With more than AUD \$6.8 trillion in assets under management as of 30 June 2018, including more than AUD \$1.2 trillion in exchange traded funds, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been helping investors meet their long-term financial goals with low-cost investment solutions for over 20 years.

Our unique structure – putting investors' interests first

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

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

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

Our investment expertise

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

Low-cost investing

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

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

Directors' report

The Responsible Entity of the Vanguard Multi-class Funds & Standalone ETFs (the "Funds") for the year ended 30 June 2018 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 year ended 30 June 2018.

Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds seek to track the returns of the Funds' respective indices, before taking into account Fund fees and expenses.

The Vanguard Global Aggregate Bond Index (Hedged) Fund inception date was 12 April 2017 and commenced trading on 13 July 2017.

Vanguard Global Minimum Volatility Fund ETF Class units and Vanguard Global Value Equity Fund ETF Class units were listed and commenced trading on the ASX on 17 April 2018.

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

The Funds did not have any employees during the year.

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

Directors

The following persons held office as directors of the Responsible Entity during the 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 (Resigned 4 September 2018)

L Carr

C Lui (Appointed 31 August 2017)

J Platt (Appointed 31 October 2017)

F Kolimago (Appointed 4 September 2018)

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 Funds' Constitution.

Results

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

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	2,812	4,814	6,372	2,255	158,992	11,305	12,432	(2,327)
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	3,134	2,145	141,253	134,116	8,888	8,400
Distribution (cents per unit)	-	-	2,6017	3,1709	3,2291	3,3972	2,8479	2,6506
Distributions - ETF Class								
Distribution paid and payable (\$'000)	1,913	797	2,332	879	20,120	18,005	3,864	3,389
Distribution (cents per unit)	181.5226	171.9169	123.7613	158.3145	142.1012	149.5660	139.2566	129.4113

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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	7,809	7,706	577,503	(286,828)	43,837	248,994	1,447,883	1,211,016
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	312,900	174,251	76,906	65,538	418,681	418,606
Distribution (cents per unit)	-	-	8.1581	4.3291	12.3751	11.2694	9.9093	10.6734
Distributions - ETF Class								
Distribution paid and payable (\$'000)	3,403	2,808	85,349	33,681	80,676	56,493	115,536	73,919
Distribution (cents per unit)	266.9387	249.4702	677.1205	328.7385	473.2493	448.0797	337.2350	294.1084
<hr/>								
	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	22,468	8,566	10,792	7,572	32,900	-	9,593	8,714
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	-	-	45,658	-	-	-
Distribution (cents per unit)	-	-	-	-	1.7850	-	-	-
Distributions - ETF Class								
Distribution paid and payable (\$'000)	3,244	3,780	4,461	1,287	81	-	2,991	1,346
Distribution (cents per unit)	112.7192	217.0171	142.2848	122.6415	46.3878	-	112.7412	99.3104
<hr/>								
	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	33,485	28,841	9,475	32,922	36,711	(33,721)	2,038,433	1,663,220
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	34,728	90,231	52,044	194,049	468,471	723,509
Distribution (cents per unit)	-	-	5.9831	7.9334	3.8559	8.5258	7.7369	12.8105
Distributions - ETF Class								
Distribution paid and payable (\$'000)	7,924	10,197	6,771	5,849	6,354	5,855	23,820	13,740
Distribution (cents per unit)	130.0907	254.9136	287.4304	332.7852	190.2613	354.6941	165.9427	185.4586
Distributions - B Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	9,203	5,947
Distribution (cents per unit)	-	-	-	-	-	-	164.8835	184.3984

Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	2,133	2,583	2,597	2,107	476,851	739,939	100,473	53,242
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	831	1,127	1,865	716	-	-	-	-
Distribution (cents per unit)	3.3416	5.1684	10.9394	4.7946	-	-	-	-
Distributions - ETF Class								
Distribution paid and payable (\$'000)	-	-	296	-	-	-	-	-
Distribution (cents per unit)	-	-	246.8478	-	-	-	-	-
Distributions - AUD Class								
Distribution paid and payable (\$'000)	-	-	-	-	269,091	570,546	-	-
Distribution (cents per unit)	-	-	-	-	5.2441	15.6487	-	-
Distributions - NZD Class								
Distribution paid and payable (\$'000)	-	-	-	-	13,402	49,464	-	-
Distribution (cents per unit)	-	-	-	-	4.7336	18.2514	-	-
Distributions - AUD Unhedged Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	10,375	3,220
Distribution (cents per unit)	-	-	-	-	-	-	4.9491	1.3650
Distributions - AUD Hedged Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	256	-
Distribution (cents per unit)	-	-	-	-	-	-	1.4193	-
Distributions - NZD Hedged Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	22,099	-
Distribution (cents per unit)	-	-	-	-	-	-	2.6887	-

Performance

The table below details the performance of the Funds as represented by the total return, net of fees, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2018 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance - calculation and presentation of returns. The directors assess the performance of the Funds by comparing each Fund's total return with the corresponding Index (the Benchmark) gross of fees.

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard FTSE Asia ex Japan Shares Index ETF					
Capital growth	9.40	17.30	0.09	-	-
Distribution of income	3.19	3.65	1.03	-	-
Total return	12.59	20.95	1.12	-	-
Benchmark					
<i>FTSE Asia Pacific ex Japan, Australia and New Zealand Index (with net dividends reinvested) in AUD</i>	12.69	21.43	1.17	-	-
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard Australian Corporate Fixed Interest Index Fund					
Capital growth	1.11	(0.42)	1.77	(0.40)	-
Distribution of income	2.57	3.11	3.28	1.80	-
Total return	3.68	2.69	5.05	1.40	-
Benchmark					
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	3.76	2.83	5.34	1.50	-

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard Australian Fixed Interest Index Fund					
Capital growth	(0.05)	(2.88)	1.91	1.34	0.61
Distribution of income	2.92	2.96	4.87	4.09	5.28
Total return	2.87	0.08	6.78	5.43	5.89
Benchmark					
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	3.09	0.25	7.02	5.63	6.11
Vanguard Australian Government Bond Index Fund					
Capital growth	(0.05)	(3.15)	4.84	2.58	0.03
Distribution of income	2.78	2.49	2.50	3.02	5.60
Total return	2.73	(0.66)	7.34	5.60	5.63
Benchmark					
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	3.00	(0.41)	7.60	5.77	5.92
Vanguard MSCI Australian Large Companies Index ETF					
Capital growth	5.81	8.13	(9.37)	(0.07)	13.07
Distribution of income	4.78	4.63	4.15	4.05	4.28
Total return	10.59	12.76	(5.22)	3.98	17.35
Benchmark					
<i>MSCI Australian Shares Large Cap Index</i>	10.86	13.02	(5.03)	(4.19)	17.62
Vanguard Australian Property Securities Index Fund					
Capital growth	3.92	(9.67)	18.48	15.09	4.41
Distribution of income	9.09	4.12	5.90	4.99	6.52
Total return	13.01	(5.55)	24.38	20.08	10.93
Benchmark					
<i>S&P/ASX 300 A-REIT Index</i>	13.20	(5.64)	24.59	20.20	11.08
Vanguard Australian Shares High Yield Fund					
Capital growth	(5.57)	8.59	(11.60)	(6.03)	11.40
Distribution of income	8.06	8.21	4.96	9.20	6.41
Total return	2.49	16.80	(6.64)	3.17	17.81
Benchmark					
<i>FTSE ASFA Australia High Dividend Yield Index</i>	3.11	17.61	(6.59)	3.50	17.98

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard Australian Shares Index Fund					
Capital growth	7.98	7.92	(4.38)	1.10	12.07
Distribution of income	5.11	5.74	5.03	4.34	5.00
Total return	13.09	13.66	0.65	5.44	17.07
Benchmark					
<i>S&P/ASX 300 Index</i>	13.24	13.82	0.87	5.61	17.25
Vanguard MSCI Australian Small Companies Index ETF					
Capital growth	16.59	6.47	8.20	(3.18)	11.69
Distribution of income	2.34	4.76	4.03	2.73	3.60
Total return	18.93	11.23	12.23	(0.45)	15.29
Benchmark					
<i>MSCI Australian Shares Small Cap Index</i>	19.28	11.61	12.57	(0.21)	15.65
Vanguard FTSE Europe Shares ETF					
Capital growth	5.72	14.59	(9.96)	-	-
Distribution of income	2.79	2.88	2.19	-	-
Total return	8.51	17.47	(7.77)	-	-
Benchmark					
<i>FTSE Developed Europe All Cap Index (with net dividends reinvested) in AUD</i>	10.34	18.29	(8.50)	-	-
Vanguard Global Aggregate Bond Index Fund (Hedged)					
Capital growth	-	-	-	-	-
Distribution of income	-	-	-	-	-
Total return	-	-	-	-	-
Benchmark					
<i>Bloomberg Barclays Global Aggregate Float Adjusted Index, hedged in AUD</i>	-	-	-	-	-
Vanguard FTSE Emerging Markets Shares ETF					
Capital growth	7.31	12.56	(11.03)	16.37	2.19
Distribution of income	1.91	2.00	1.76	2.34	1.42
Total return	9.22	14.56	(9.27)	18.71	3.61
Benchmark					
<i>FTSE Emerging Markets All Cap China A Inclusion Index (with net dividends reinvested), in AUD</i>	10.56	15.88	(10.06)	20.13	4.32

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard MSCI Index International Shares (Hedged) ETF					
Capital growth	9.22	15.53	(2.82)	5.01	-
Distribution of income	2.24	4.95	1.36	-	-
Total return	11.46	20.48	(1.46)	5.01	-
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested), hedged into Australian dollars Index</i>	11.48	20.54	(1.42)	5.15	-
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Credit Securities Index Fund (Hedged)					
Capital growth	(4.06)	(4.04)	3.50	4.38	6.09
Distribution of income	5.06	6.52	4.41	-	2.31
Total return	1.00	2.48	7.91	4.38	8.40
Benchmark					
<i>Bloomberg Barclays Global Aggregate Government-Related and Corporate Index hedged into AUD</i>	1.26	2.83	8.21	4.70	8.94
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Fixed Interest Index Fund (Hedged)					
Capital growth	(1.08)	(7.92)	8.60	4.11	6.83
Distribution of income	3.27	6.63	1.86	1.93	-
Total return	2.19	(1.29)	10.46	6.04	6.83
Benchmark					
<i>Bloomberg Barclays Global Treasury Index hedged into AUD</i>	2.46	(0.97)	10.84	6.31	7.18
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Index Fund					
Capital growth	11.35	7.62	(2.76)	19.57	16.85
Distribution of income	4.09	7.19	3.34	5.72	3.65
Total return	15.44	14.81	0.58	25.29	20.50
Benchmark					
<i>MSCI World ex-Australia Index (with net dividends reinvested) in AUD</i>	15.39	14.73	0.40	25.18	20.41
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard Global Minimum Volatility Fund					
Capital growth	6.06	7.28	6.01	-	-
Distribution of income	3.07	4.88	2.30	-	-
Total return	9.13	12.16	8.31	-	-
Benchmark					
<i>FTSE Global All Cap Index (AUD hedged)</i>	11.45	20.53	(2.13)	-	-

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard Global Value Equity Fund					
Capital growth	4.71	11.08	-	-	-
Distribution of income	10.05	4.80	-	-	-
Total return	14.76	15.88	-	-	-
Benchmark					
<i>FTSE Developed All-Cap Index</i>	15.62	11.95	-	-	-
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Index Fund (Hedged) - AUD Class					
Capital growth	4.57	0.15	(9.91)	10.98	24.05
Distribution of income	6.92	20.40	8.64	-	0.60
Total return	11.49	20.55	(1.27)	10.98	24.65
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index</i>	11.48	20.53	(1.43)	10.94	24.64
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Index Fund (Hedged) - NZD Class					
Capital growth	7.91	5.43	(2.75)	11.38	14.27
Distribution of income	3.97	15.39	1.57	-	10.06
Total return	11.88	20.82	(1.18)	11.38	24.33
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into New Zealand dollars Index</i>	11.99	20.99	1.14	11.66	24.51
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class					
Capital growth	10.95	5.31	-	-	-
Distribution of income	4.83	1.38	-	-	-
Total return	15.78	6.69	-	-	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) in Australian dollars Index</i>	15.73	6.63	-	-	-
	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class					
Capital growth	-	-	-	-	-
Distribution of income	-	-	-	-	-
Total return	-	-	-	-	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into Australian dollars Index</i>	-	-	-	-	-

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2018	2017	2016	2015	2014
	%	%	%	%	%
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class					
Capital growth	9.49	8.30	-	-	-
Distribution of income	2.76	-	-	-	-
Total return	12.25	8.30	-	-	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into New Zealand dollars Index</i>	12.33	8.37	-	-	-

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

Unit redemption prices

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

	At 30 June		Period high		Period low	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Vanguard FTSE Asia ex Japan Shares Index ETF	65.0727	59.6059	68.6971	61.3466	58.4136	49.1655
Vanguard Australian Corporate Fixed Interest Index Fund (Wholesale Class)	1.0425	1.0332	1.0446	1.0432	1.0237	1.0146
Vanguard Australian Corporate Fixed Interest Index Fund (ETF Class)	50.5158	50.0432	50.5879	50.5521	49.5725	49.1496
Vanguard Australian Fixed Interest Index Fund (Wholesale Class)	1.1257	1.1272	1.1340	1.1657	1.1082	1.1087
Vanguard Australian Fixed Interest Index Fund (ETF Class)	48.9153	48.9360	49.2516	50.6087	48.1037	48.1306
Vanguard Australian Government Bond Index Fund (Wholesale Class)	1.0425	1.0444	1.0516	1.0829	1.0235	1.0253
Vanguard Australian Government Bond Index Fund (ETF Class)	49.2020	49.2892	49.6250	51.0989	48.2996	48.3842
Vanguard MSCI Australian Large Companies Index ETF	63.6084	60.1660	63.8592	63.3670	58.5088	54.5967
Vanguard Australian Property Securities Index Fund (Wholesale Class)	0.9673	0.9376	1.0514	1.0883	0.8940	0.8787
Vanguard Australian Property Securities Index Fund (ETF Class)	80.0540	77.2076	86.9107	89.6173	73.8895	72.3594
Vanguard Australian Shares High Yield Fund (Wholesale Class)	1.5068	1.5900	1.6015	1.6203	1.4332	1.4011
Vanguard Australian Shares High Yield Fund (ETF Class)	59.1239	62.2148	62.6624	63.3988	56.2180	54.8246
Vanguard Australian Shares Index Fund (Wholesale Class)	2.2533	2.0978	2.2645	2.1643	2.0360	1.8833
Vanguard Australian Shares Index Fund (ETF Class)	79.7735	73.2331	80.1040	75.5469	72.0030	65.7395
Vanguard MSCI Australian Small Companies Index ETF	57.8067	50.5511	58.7576	51.3722	48.3937	46.3719
Vanguard FTSE Europe Shares ETF	55.3680	52.1597	57.5080	54.9618	50.5602	43.0332
Vanguard Global Aggregate Bond Index Fund (Hedged) (Wholesale Class)	0.9988	-	1.0161	-	0.9879	-
Vanguard Global Aggregate Bond Index Fund (Hedged) (ETF Class)	49.9458	-	50.5236	-	49.3941	-
Vanguard FTSE Emerging Markets Shares ETF	64.1828	59.8077	70.0253	62.2456	59.7384	51.6654
Vanguard MSCI Index International Shares (Hedged) ETF	65.5670	61.9529	68.0661	62.8362	59.2604	51.1513
Vanguard International Credit Securities Index Fund (Hedged) (Wholesale Class)	1.1496	1.2056	1.1992	1.2537	1.1390	1.1887
Vanguard International Credit Securities Index Fund (Hedged) (ETF Class)	47.4683	50.1514	49.8017	52.1022	47.0320	49.4432
Vanguard International Fixed Interest Index Fund (Hedged) (Wholesale Class)	1.1846	1.2078	1.2098	1.3031	1.1694	1.1999
Vanguard International Fixed Interest Index Fund (Hedged) (ETF Class)	48.1701	49.3392	49.4542	53.2603	47.5439	49.0137
Vanguard International Shares Index Fund (Wholesale Class)	2.2155	2.0440	2.2520	2.1314	1.8977	1.7648
Vanguard International Shares Index Fund (ETF Class)	69.4441	61.8456	70.5295	64.4511	59.3608	53.3715
Vanguard International Shares Index Fund (B Class)	68.9704	61.4148	70.0483	64.0021	58.9495	53.0004
Vanguard Global Minimum Volatility Fund (Wholesale Class)	1.2044	1.1872	1.2145	1.2080	1.1260	1.0331
Vanguard Global Minimum Volatility Fund (ETF Class)	51.7710	-	52.0657	-	50.0000	-
Vanguard Global Value Equity Fund (Wholesale Class)	1.2357	1.1528	1.2637	1.1811	1.0577	0.9659
Vanguard Global Value Equity Fund (ETF Class)	52.4138	-	53.6038	-	50.0000	-
Vanguard International Shares Index Fund (Hedged) (AUD Class)	0.8345	0.8888	0.8723	0.9086	0.7731	0.7697
Vanguard International Shares Index Fund (Hedged) (NZD Class)*	1.4524	1.4846	1.5235	1.5066	1.3234	1.2515
Vanguard International Shares Select Exclusions Index Fund (AUD Unhedged Class)	1.1999	1.0620	1.2190	1.1063	1.0267	0.9867
Vanguard International Shares Select Exclusions Index Fund (AUD Hedged Class)	1.0062	-	1.0456	-	0.9525	-
Vanguard International Shares Select Exclusions Index Fund (NZD Hedged Class)*	1.1946	1.0819	1.2491	1.0965	1.0803	0.9923

*All unit prices are expressed in New Zealand dollars.

Directors' report (continued)

Significant changes in state of affairs

The Vanguard Global Aggregate Bond Index Fund (Hedged) inception date was 12 April 2017. The Wholesale Class commenced trading on 13 July 2017 and the ETF Class was listed and commenced trading on the ASX on 10 October 2017.

Vanguard Global Minimum Volatility Fund ETF Class units and Vanguard Global Value Equity Fund ETF Class units were listed and commenced trading on the ASX on 17 April 2018.

Vanguard International Shares Select Exclusions Index Fund AUD Unhedged Class units commenced trading on 20 December 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.

The Funds have amended their constitution to change the obligation to distribute trust income to unitholders effective 1 July 2017 as part of a process to become eligible to elect into the new AMIT tax regime.

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 year.

Matters subsequent to the end of the financial year

On 1 July 2018, Vanguard Global Value Equity Fund lost its AMIT status as it no longer meets the AMIT tax regime qualification.

Colin Kelton resigned as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

Frank Kolimago was appointed as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnity and insurance of officers and auditors

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of Vanguard Investments Australia Ltd or the auditors of the Funds. So long as the officers of Vanguard Investments Australia Ltd act in accordance with the Funds' Constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in note 14 of the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 9 of the financial statements.

The value of the Funds' assets and liabilities are disclosed on the balance sheet and derived using the basis set out in note 2 of the financial statements.

Directors' report (continued)

Environmental Regulation

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

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 14.

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

A handwritten signature in black ink that reads "J Platt". The signature is written in a cursive style with a large initial 'J' and 'P'.

J Platt

Director

Melbourne

4 September 2018



Auditor's Independence Declaration for Vanguard Multi-class Funds & Standalone ETFs:

- 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 Fund (Hedged)
- 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
- Vanguard Global Minimum Volatility Fund
- Vanguard Global Value Equity Fund
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

As lead auditor for the audit of Vanguard Multi-class Funds & Standalone ETFs for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

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

Britt Hawkins
Partner
PricewaterhouseCoopers

Melbourne
4 September 2018

Statements of comprehensive income

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Investment income									
Interest income		-	-	29	2	262	312	17	28
Dividend income		1,520	639	-	-	-	-	-	-
Distribution income		23	11	-	-	-	-	-	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	1,339	4,270	6,726	2,475	171,825	22,312	13,652	(1,186)
Other operating income		288	3	167	57	34	247	9	27
Total net investment income/(loss)		3,170	4,923	6,922	2,534	172,121	22,871	13,678	(1,131)
Expenses									
Responsible Entity's fees	14	217	98	539	271	13,117	11,556	1,241	1,191
Custody fees		94	9	11	8	9	10	4	5
Transaction costs		25	-	-	-	-	-	-	-
Other operating expenses		22	2	-	-	3	-	1	-
Total operating expenses		358	109	550	279	13,129	11,566	1,246	1,196
Operating profit/(loss)		2,812	4,814	6,372	2,255	158,992	11,305	12,432	(2,327)
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	(797)	(5,466)	(3,024)	(161,373)	(152,121)	(12,752)	(11,789)
(Increase)/decrease in net assets attributable to unitholders	9	-	(4,017)	(906)	769	2,381	140,816	320	14,116
Profit/(loss) for the year		2,812	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year*		2,812	-	-	-	-	-	-	-

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

*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 year ended 30 June 2018.

Statements of comprehensive income (continued)

For the year ended 30 June 2018

	Notes	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Investment income									
Interest income		-	-	4	-	33	77	658	835
Dividend income		3,348	2,768	7,569	17,185	103,280	76,128	427,586	360,690
Distribution income		374	316	239,443	226,855	9,591	11,822	66,468	58,027
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	4,256	4,763	342,025	(519,225)	(62,562)	166,346	973,263	808,042
Other operating income		3	2	25	18	173	120	344	628
Total net investment income/(loss)		7,981	7,849	589,066	(275,167)	50,515	254,493	1,468,319	1,228,222
Expenses									
Responsible Entity's fees	14	155	132	10,891	11,105	6,076	5,207	19,840	16,829
Custody fees		4	3	21	20	26	14	103	77
Transaction costs		3	1	226	124	538	278	434	300
Other operating expenses		10	7	425	412	38	-	59	-
Total operating expenses		172	143	11,563	11,661	6,678	5,499	20,436	17,206
Operating profit/(loss)		7,809	7,706	577,503	(286,828)	43,837	248,994	1,447,883	1,211,016
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	(2,808)	(398,249)	(207,932)	(157,582)	(122,031)	(534,217)	(492,525)
(Increase)/decrease in net assets attributable to unitholders	9	-	(4,898)	(179,254)	494,760	113,745	(126,963)	(913,666)	(718,491)
Profit/(loss) for the year		7,809	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year*		7,809	-	-	-	-	-	-	-

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

*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 year ended 30 June 2018.

Statements of comprehensive income (continued)

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	[^] 30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Investment income									
Interest income		-	-	-	-	-	-	2	2
Dividend income		3,412	1,901	-	-	-	-	-	-
Distribution income		984	541	4,865	1,307	-	-	3,553	1,567
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	18,491	6,351	6,254	6,267	38,757	-	6,598	7,359
Other operating income		29	25	40	73	188	-	44	34
Total net investment income/(loss)		22,916	8,818	11,159	7,647	38,945	-	10,197	8,962
Expenses									
Responsible Entity's fees	14	406	227	351	70	5,948	-	589	237
Custody fees		28	22	2	1	74	-	2	1
Transaction costs		8	2	4	4	-	-	12	9
Other operating expenses		6	1	10	-	23	-	1	1
Total operating expenses		448	252	367	75	6,045	-	604	248
Operating profit/(loss)		22,468	8,566	10,792	7,572	32,900	-	9,593	8,714
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	(3,780)	-	(1,287)	(45,739)	-	-	(1,346)
(Increase)/decrease in net assets attributable to unitholders	9	-	(4,786)	-	(6,285)	12,839	-	-	(7,368)
Profit/(loss) for the year		22,468	-	10,792	-	-	-	9,593	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year*		22,468	-	10,792	-	-	-	9,593	-

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

*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 year ended 30 June 2018.

[^]Covers the period from 12 April 2017 to 30 June 2018.

Statements of comprehensive income (continued)

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Investment income									
Interest income		19	23	29	55	-	-	215	203
Dividend income		-	-	-	-	-	-	289,838	265,918
Distribution income		9,204	5,947	-	-	-	-	11,570	10,759
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	24,254	22,818	11,906	37,211	41,244	(26,180)	1,766,178	1,404,837
Other operating income		194	162	239	337	151	87	799	4,986
Total net investment income/(loss)		33,671	28,950	12,174	37,603	41,395	(26,093)	2,068,600	1,686,703
Expenses									
Responsible Entity's fees	14	128	61	2,621	4,534	4,525	7,241	25,323	21,915
Custody fees		58	48	55	39	91	103	52	71
Transaction costs		-	-	-	-	-	-	180	203
Other operating expenses		-	-	23	108	68	284	4,612	1,294
Total operating expenses		186	109	2,699	4,681	4,684	7,628	30,167	23,483
Operating profit/(loss)		33,485	28,841	9,475	32,922	36,711	(33,721)	2,038,433	1,663,220
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	(10,197)	(41,499)	(96,080)	(58,398)	(199,904)	(501,494)	(743,196)
(Increase)/decrease in net assets attributable to unitholders	9	-	(18,644)	32,024	63,158	21,687	233,625	(1,536,939)	(920,024)
Profit/(loss) for the year		33,485	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year*		33,485	-	-	-	-	-	-	-

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

*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 year ended 30 June 2018.

Statements of comprehensive income (continued)

For the year ended 30 June 2018

	Notes	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Investment income									
Interest income		3	-	-	1	116	-	9	-
Dividend income		544	502	428	289	-	-	22,111	9,534
Distribution income		147	81	15	14	160,385	221,611	1,033	344
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	1,599	2,140	2,255	1,884	318,092	520,899	80,610	44,445
Other operating income		3	-	13	1	246	-	38	59
Total net investment income/(loss)		2,296	2,723	2,711	2,189	478,839	742,510	103,801	54,382
Expenses									
Responsible Entity's fees	14	94	95	67	54	1,724	2,119	2,667	947
Custody fees		48	40	25	23	169	154	124	62
Transaction costs		6	2	8	5	-	-	55	31
Other operating expenses		15	3	14	-	95	298	482	100
Total operating expenses		163	140	114	82	1,988	2,571	3,328	1,140
Operating profit/(loss)		2,133	2,583	2,597	2,107	476,851	739,939	100,473	53,242
Finance costs attributable to unitholders									
Distributions to unitholders	10	(831)	(1,127)	(2,161)	(716)	(282,493)	(620,010)	(32,730)	(3,220)
(Increase)/decrease in net assets attributable to unitholders	9	(1,302)	(1,456)	(436)	(1,391)	(194,358)	(119,929)	(67,743)	(50,022)
Profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	-	-

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

Balance sheets

As at 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Assets									
Cash and cash equivalents	11	700	200	1,977	2,562	2,525	53,787	(250)	544
Margin accounts		79	30	16	55	162	278	34	107
Receivables		32	13	24	541	2,103	7,494	24	313
Accrued income		393	127	36	15	174	224	-	1
Due from brokers - receivable for securities sold		2	95	-	-	75,553	64,851	4,065	5,230
Financial assets held at fair value through profit or loss	6	95,932	27,290	279,142	100,089	5,652,016	5,555,238	438,891	491,401
Total assets		97,138	27,755	281,195	103,262	5,732,533	5,681,872	442,764	497,596
Liabilities									
Distribution payable	10	1,285	420	1,879	887	42,397	40,278	2,596	3,412
Payables		37	9	69	22	51,198	3,099	169	212
Due to brokers - payables for securities purchased		-	-	326	1,678	11,318	122,335	1,013	5,683
Financial liabilities held at fair value through profit or loss	7	-	-	2	5	51	131	-	-
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		1,322	429	2,276	2,592	104,964	165,843	3,778	9,307
Net assets attributable to unitholders (equity)*	9	95,816	-	-	-	-	-	-	-
Net assets attributable to unitholders (liability)*	9	-	27,326	278,919	100,670	5,627,569	5,516,029	438,986	488,289

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

*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.

Balance sheets (continued)

As at 30 June 2018

	Notes	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Assets									
Cash and cash equivalents	11	(580)	(513)	8,286	32,058	4,583	28,695	46,808	85,627
Margin accounts		-	23	169	1,636	915	1,625	7,167	5,986
Receivables		1	2	4,884	2,940	449	1,138	2,801	21,483
Accrued income		821	711	80,860	79,098	20,956	16,677	95,541	84,560
Due from brokers - receivable for securities sold		299	344	-	34,727	27,563	11,452	93,956	167
Financial assets held at fair value through profit or loss	6	82,943	70,986	4,733,983	4,643,312	1,969,824	1,727,426	12,144,494	10,276,000
Total assets		83,484	71,553	4,828,182	4,793,771	2,024,290	1,787,013	12,390,767	10,473,823
Liabilities									
Distribution payable	10	403	407	26,583	54,291	61,238	48,097	157,463	158,498
Payables		47	13	3,386	54,592	5,025	627	147,491	3,692
Due to brokers - payables for securities purchased		-	-	49,448	9,534	3,291	8,495	2,113	20,496
Financial liabilities held at fair value through profit or loss	7	-	-	-	1,133	-	-	-	795
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		450	420	79,417	119,550	69,554	57,219	307,067	183,481
Net assets attributable to unitholders (equity)*	9	83,034	-	-	-	-	-	-	-
Net assets attributable to unitholders (liability)*	9	-	71,133	4,748,765	4,674,221	1,954,736	1,729,794	12,083,700	10,290,342

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

*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.

Balance sheets (continued)

As at 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Assets									
Cash and cash equivalents	11	360	401	166	1,220	48,477	-	218	2,566
Margin accounts		-	10	-	-	40,485	-	-	-
Receivables		9	5	10	526	1,400	-	16	605
Accrued income		559	334	-	-	65	-	-	-
Due from brokers - receivable for securities sold		1,220	1,871	2,590	251	26,954	-	845	-
Financial assets held at fair value through profit or loss	6	186,759	92,571	191,782	82,400	3,104,401	-	203,977	110,153
Total assets		188,907	95,192	194,548	84,397	3,221,782	-	205,056	113,324
Liabilities									
Margin accounts		1	-	-	-	-	-	-	-
Distribution payable	10	1,842	2,724	2,927	917	7,036	-	936	504
Payables		46	23	43	16	43,841	-	64	28
Due to brokers - payables for securities purchased		223	433	-	1,090	157,658	-	-	2,359
Financial liabilities held at fair value through profit or loss	7	-	-	-	-	56,151	-	-	-
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		2,112	3,180	2,970	2,023	264,686	-	1,000	2,891
Net assets attributable to unitholders (equity)*	9	186,795	-	191,578	-	-	-	204,056	-
Net assets attributable to unitholders (liability)*	9	-	92,012	-	82,374	2,957,096	-	-	110,433

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

*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.

Balance sheets (continued)

As at 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Assets									
Cash and cash equivalents	11	3,811	2,154	21,038	22,812	4,966	19,318	189,547	282,304
Margin accounts		6,878	534	310	753	23,920	779	11,063	8,542
Receivables		3	621	167	2,856	331	9,356	28,974	33,468
Accrued income		5,259	3,670	9	43	-	-	15,327	13,545
Due from brokers - receivable for securities sold		-	-	14,736	7,484	33,525	31,533	55	-
Financial assets held at fair value through profit or loss	6	403,298	247,254	757,066	1,557,833	1,779,891	3,230,134	14,555,308	11,778,124
Total assets		419,249	254,233	793,326	1,591,781	1,842,633	3,291,120	14,800,274	12,115,983
Liabilities									
Margin accounts		-	5,300	-	-	-	71,818	-	-
Distribution payable	10	4,385	10,197	13,737	36,673	10,700	40,580	322,005	563,256
Payables		37	11	1,782	419	2,441	1,308	133,129	35,838
Due to brokers - payables for securities purchased		-	-	4,951	36,300	429	108,989	-	846
Financial liabilities held at fair value through profit or loss	7	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		12,093	17,046	38,882	82,823	46,666	225,828	455,235	601,026
Net assets attributable to unitholders (equity)*	9	407,156	-	-	-	-	-	-	-
Net assets attributable to unitholders (liability)*	9	-	237,187	754,444	1,508,958	1,795,967	3,065,292	14,345,039	11,514,957

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

*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.

Balance sheets (continued)

As at 30 June 2018

	Notes	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	11	168	245	134	247	80,945	13,441	14,763	21,845
Margin accounts		728	54	12	24	77,748	3,163	15,321	1,708
Receivables		31	324	25	10	1,114	2,124	2,432	3,282
Accrued income		68	65	34	19	101,702	164,580	1,164	892
Due from brokers - receivable for securities sold		73	43	330	-	-	30,714	9,842	-
Financial assets held at fair value through profit or loss	6	23,318	25,590	27,445	17,074	4,414,657	3,519,275	1,208,274	941,237
Total assets		24,386	26,321	27,980	17,374	4,676,166	3,733,297	1,251,796	968,964
Liabilities									
Margin accounts		-	-	-	-	-	82,898	-	21,407
Distribution payable	10	-	1,127	1,584	645	130,725	453,028	14,623	2,425
Payables		7	7	7	5	23,719	1,110	1,630	202
Due to brokers - payables for securities purchased		62	277	-	-	-	-	-	19,715
Financial liabilities held at fair value through profit or loss	7	665	127	2	9	109,728	54,085	32,017	8,069
Total liabilities (excluding net assets attributable to unitholders)		734	1,538	1,593	659	264,172	591,121	48,270	51,818
Net assets attributable to unitholders (equity)	9	-	-	-	-	-	-	-	-
Net assets attributable to unitholders (liability)	9	23,652	24,783	26,387	16,715	4,411,994	3,142,176	1,203,526	917,146

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

Statements of changes in equity

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*	9	27,326	-	-	-	-	-	-	-
Comprehensive income for the year									
Profit/(loss) for the year		2,812	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		2,812	-	-	-	-	-	-	-
Transactions with unitholders									
Applications		67,418	-	-	-	-	-	-	-
Redemptions		-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions		173	-	-	-	-	-	-	-
Distributions paid and payable		(1,913)	-	-	-	-	-	-	-
Total transactions with unitholders		65,678	-	-	-	-	-	-	-
Total equity at the end of the financial year		95,816	-	-	-	-	-	-	-

*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 year ended 30 June 2018.

	Notes	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*	9	71,133	-	-	-	-	-	-	-
Comprehensive income for the year									
Profit/(loss) for the year		7,809	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		7,809	-	-	-	-	-	-	-
Transactions with unitholders									
Applications		7,321	-	-	-	-	-	-	-
Redemptions		-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions		174	-	-	-	-	-	-	-
Distributions paid and payable		(3,403)	-	-	-	-	-	-	-
Total transactions with unitholders		4,092	-	-	-	-	-	-	-
Total equity at the end of the financial year		83,034	-	-	-	-	-	-	-

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

*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 year ended 30 June 2018.

Statements of changes in equity (continued)

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	[^] 30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*	9	92,012	-	82,374	-	-	-	110,433	-
Comprehensive income for the year									
Profit/(loss) for the year		22,468	-	10,792	-	-	-	9,593	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		22,468	-	10,792	-	-	-	9,593	-
Transactions with unitholders									
Applications		75,049	-	102,802	-	-	-	93,591	-
Redemptions		-	-	-	-	-	-	(6,785)	-
Units issued upon reinvestment of distributions		510	-	71	-	-	-	215	-
Distributions paid and payable		(3,244)	-	(4,461)	-	-	-	(2,991)	-
Total transactions with unitholders		72,315	-	98,412	-	-	-	84,030	-
Total equity at the end of the financial year		186,795	-	191,578	-	-	-	204,056	-

*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 year ended 30 June 2018.

[^]Covers the period 12 April 2017 to 30 June 2018.

	Notes	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	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*	9	237,187	-	-	-	-	-	-	-
Comprehensive income for the year									
Profit/(loss) for the year		33,485	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		33,485	-	-	-	-	-	-	-
Transactions with unitholders									
Applications		168,906	-	-	-	-	-	-	-
Redemptions		(25,944)	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions		1,446	-	-	-	-	-	-	-
Distributions paid and payable		(7,924)	-	-	-	-	-	-	-
Total transactions with unitholders		136,484	-	-	-	-	-	-	-
Total equity at the end of the financial year		407,156	-	-	-	-	-	-	-

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

*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 year ended 30 June 2018.

Statements of changes in equity (continued)

For the year ended 30 June 2018

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with unitholders in their capacity as owners	-	-	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-	-	-

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

Statements of cash flows

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		3,898	1,278	58,351	50,918	1,522,010	879,707	165,617	94,379
Purchases of financial instruments held at fair value through profit or loss		(71,176)	(1,494)	(231,994)	(68,910)	(1,568,646)	(1,911,079)	(102,887)	(182,499)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		(25)	-	-	-	-	-	-	-
Interest received		-	-	29	1	312	294	18	29
Dividends received		1,176	608	-	-	-	-	-	-
Distributions received		18	11	-	-	-	-	-	-
Other income received		288	3	168	57	34	248	11	27
Responsible Entity's fees paid		(196)	(96)	(499)	(267)	(13,092)	(11,336)	(1,256)	(1,169)
Operating expenses paid		(115)	(11)	(38)	(9)	(23)	(37)	(4)	(10)
Net cash inflow/(outflow) from operating activities	12(a)	(66,132)	299	(173,983)	(18,210)	(59,405)	(1,042,203)	61,499	(89,243)
Cash flows from financing activities									
Proceeds from applications by unitholders		67,418	264	202,901	59,118	1,211,983	1,841,867	47,743	159,680
Payments for redemptions by unitholders		-	-	(25,271)	(36,604)	(1,122,659)	(656,594)	(97,960)	(64,842)
Distributions paid from operating activities		(875)	(489)	(4,232)	(2,718)	(81,181)	(104,372)	(12,076)	(9,679)
Net cash inflow/(outflow) from financing activities		66,543	(225)	173,398	19,796	8,143	1,080,901	(62,293)	85,159
Net increase/(decrease) in cash and cash equivalents		411	74	(585)	1,586	(51,262)	38,698	(794)	(4,084)
Cash and cash equivalents at the beginning of the 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		89	(6)	-	-	-	-	-	-
Cash and cash equivalents at the end of the year	11	700	200	1,977	2,562	2,525	53,787	(250)	544
Non-cash financing activities	12(b)	173	60	242	206	78,073	88,750	1,492	1,173

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

Statements of cash flows (continued)

For the year ended 30 June 2018

	Notes	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		5,093	3,232	1,273,243	640,374	872,614	915,606	1,233,701	1,188,680
Purchases of financial instruments held at fair value through profit or loss		(12,538)	(10,580)	(941,811)	(996,767)	(1,198,179)	(1,057,782)	(2,196,354)	(1,778,410)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		(3)	(1)	(226)	(124)	(538)	(278)	(434)	(300)
Interest received		-	-	4	-	41	71	665	842
Dividends received		3,071	2,718	2,972	17,616	100,806	75,895	373,393	357,239
Distributions received		353	299	237,175	216,185	7,778	12,295	62,946	56,457
Other income received		4	2	142	18	488	120	589	628
Responsible Entity's fees paid		(126)	(131)	(10,936)	(11,109)	(5,053)	(5,155)	(19,597)	(16,647)
Operating expenses paid		(9)	(10)	(69)	(547)	-	(20)	(205)	(97)
Net cash inflow/(outflow) from operating activities	12(a)	(4,155)	(4,471)	560,494	(134,354)	(222,043)	(59,248)	(545,296)	(191,608)
Cash flows from financing activities									
Proceeds from applications by unitholders		7,321	7,123	908,237	1,452,321	426,391	272,687	2,540,515	2,390,119
Payments for redemptions by unitholders		-	-	(1,207,073)	(1,155,246)	(120,101)	(145,332)	(1,783,655)	(1,991,583)
Distributions paid from operating activities		(3,233)	(2,717)	(285,430)	(146,223)	(108,359)	(69,342)	(250,383)	(187,594)
Net cash inflow/(outflow) from financing activities		4,088	4,406	(584,266)	150,852	197,931	58,013	506,477	210,942
Net increase/(decrease) in cash and cash equivalents		(67)	(65)	(23,772)	16,498	(24,112)	(1,235)	(38,819)	19,334
Cash and cash equivalents at the beginning of the year		(513)	(448)	32,058	15,560	28,695	29,930	85,627	66,293
Cash and cash equivalents at the end of the year	11	(580)	(513)	8,286	32,058	4,583	28,695	46,808	85,627
Non-cash financing activities	12(b)	174	136	147,679	92,005	36,082	24,912	284,869	222,527

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

Statements of cash flows (continued)

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	^30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		23,491	36,462	2,621	6,802	3,372,943	-	7,680	970
Purchases of financial instruments held at fair value through profit or loss		(98,736)	(46,182)	(109,242)	(76,623)	(6,289,519)	-	(98,183)	(49,786)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		(8)	(2)	(4)	(4)	-	-	(12)	(9)
Interest received		-	-	-	-	-	-	2	1
Dividends received		3,366	1,916	-	-	-	-	3	-
Distributions received		805	509	4,865	1,307	-	-	3,553	1,568
Other income received		29	24	40	73	188	-	44	36
Responsible Entity's fees paid		(384)	(224)	(326)	(55)	(5,360)	-	(558)	(223)
Operating expenses paid		(37)	(23)	(16)	(5)	(647)	-	(10)	(7)
Net cash inflow/(outflow) from operating activities	12(a)	(71,474)	(7,520)	(102,062)	(68,505)	(2,922,395)	-	(87,481)	(47,450)
Cash flows from financing activities									
Proceeds from applications by unitholders		75,049	33,339	103,324	76,666	3,054,060	-	94,189	50,953
Payments for redemptions by unitholders		-	(23,339)	-	(6,511)	(80,442)	-	(6,785)	-
Distributions paid from operating activities		(3,616)	(2,061)	(2,380)	(446)	(48)	-	(2,344)	(983)
Net cash inflow/(outflow) from financing activities		71,433	7,939	100,944	69,709	2,973,570	-	85,060	49,970
Net increase/(decrease) in cash and cash equivalents		(41)	419	(1,118)	1,204	51,175	-	(2,421)	2,520
Cash and cash equivalents at the beginning of the year		401	(18)	1,220	6	-	-	2,566	87
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	64	10	(2,698)	-	73	(41)
Cash and cash equivalents at the end of the year	11	360	401	166	1,220	48,477	-	218	2,566
Non-cash financing activities	12(b)	510	255	71	12	38,653	-	215	103

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

^Covers the period 12 April 2017 to 30 June 2018.

Statements of cash flows (continued)

For the year ended 30 June 2018

	Notes	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	
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		18,470	10,454	1,191,030	844,608	1,922,251	801,525	1,638,637	3,982,216
Purchases of financial instruments held at fair value through profit or loss		(148,365)	(132,924)	(407,956)	(1,098,507)	(604,868)	(1,255,235)	(2,656,710)	(2,490,201)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		-	-	-	-	-	-	(180)	(203)
Interest received		19	25	63	81	-	15	212	207
Dividends received		-	-	-	-	-	-	280,370	250,868
Distributions received		-	-	-	-	-	-	10,216	9,466
Other income received		194	162	1,779	382	1,410	180	799	4,988
Responsible Entity's fees paid		(124)	(56)	(2,814)	(4,475)	(4,795)	(7,147)	(24,938)	(21,872)
Operating expenses paid		(37)	(46)	(78)	(145)	(16)	(289)	(4,635)	(1,365)
Net cash inflow/(outflow) from operating activities	12(a)	(129,843)	(122,385)	782,024	(258,056)	1,313,982	(460,951)	(756,229)	1,734,104
Cash flows from financing activities									
Proceeds from applications by unitholders		169,525	120,599	181,219	547,740	504,510	1,011,492	3,839,361	3,507,467
Payments for redemptions by unitholders		(25,944)	-	(935,080)	(254,662)	(1,791,176)	(480,782)	(3,001,429)	(4,986,107)
Distributions paid from operating activities		(12,290)	(1,219)	(30,359)	(25,934)	(40,224)	(59,719)	(180,031)	(85,391)
Net cash inflow/(outflow) from financing activities		131,291	119,380	(784,220)	267,144	(1,326,890)	470,991	657,901	(1,564,031)
Net increase/(decrease) in cash and cash equivalents		1,448	(3,005)	(2,196)	9,088	(12,908)	10,040	(98,328)	170,073
Cash and cash equivalents at the beginning of the 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		209	(88)	422	(41)	(1,444)	648	5,571	82
Cash and cash equivalents at the end of the year	11	3,811	2,154	21,038	22,812	4,966	19,318	189,547	282,304
Non-cash financing activities	12(b)	1,446	142	34,076	83,902	48,054	144,712	562,714	332,469

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

Statements of cash flows (continued)

For the year ended 30 June 2018

	Notes	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments held at fair value through profit or loss		18,792	10,093	15,164	5,770	771,771	2,580,027	206,502	53,444
Purchases of financial instruments held at fair value through profit or loss		(15,295)	(11,860)	(23,614)	(20,699)	(1,197,723)	(866,463)	(432,374)	(902,300)
Transaction costs on purchases of financial instruments held at fair value through profit or loss		(6)	(2)	(8)	(5)	-	-	(55)	(31)
Interest received		2	-	-	1	116	2	-	-
Dividends received		542	492	398	249	-	84	20,962	7,864
Distributions received		138	78	15	12	-	-	926	288
Other income received		5	-	13	1	1,035	-	3,567	59
Responsible Entity's fees paid		(94)	(96)	(65)	(49)	(1,708)	(2,267)	(2,619)	(773)
Operating expenses paid		(63)	(43)	(41)	(23)	(263)	(428)	(132)	(186)
Net cash inflow/(outflow) from operating activities	12(a)	4,021	(1,338)	(8,138)	(14,743)	(426,772)	1,710,955	(203,223)	(841,635)
Cash flows from financing activities									
Proceeds from applications by unitholders		20,150	2,260	9,601	15,252	1,716,325	882,176	538,217	944,626
Payments for redemptions by unitholders		(24,191)	(866)	(1,570)	-	(969,062)	(2,421,911)	(336,479)	(81,051)
Distributions paid from operating activities		(50)	-	(17)	-	(253,786)	(171,667)	(4,641)	(50)
Net cash inflow/(outflow) from financing activities		(4,091)	1,394	8,014	15,252	493,477	(1,711,402)	197,097	863,525
Net increase/(decrease) in cash and cash equivalents		(70)	56	(124)	509	66,705	(447)	(6,126)	21,890
Cash and cash equivalents at the beginning of the year		245	25	247	-	13,441	13,369	21,845	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		(7)	164	11	(262)	799	519	(956)	(45)
Cash and cash equivalents at the end of the year	11	168	245	134	247	80,945	13,441	14,763	21,845
Non-cash financing activities	12(b)	1,908	460	1,205	72	351,010	279,689	15,891	745

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

Notes to the financial statements

For the year ended 30 June 2018

1 General information

These financial statements cover the Vanguard Multi-class Funds & Standalone ETFs (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) 12 April 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
- Vanguard Global Minimum Volatility Fund 31 August 2016
- Vanguard Global Value Equity Fund 31 August 2016
- Vanguard International Shares Index Fund (Hedged) 8 June 2000
- Vanguard International Shares Select Exclusions Index Fund 9 December 2016

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 Funds' Constitution. 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 (ETFs) listed on the Australian Securities 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 Funds' Constitution 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.

On 3 April 2018, Vanguard Global Minimum Volatility Fund lost its AMIT status as it no longer meets the AMIT tax regime qualification.

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 9 for further information.

The financial statements were authorised for issue by the directors on 4 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All material balances are expected to be recovered or settled within twelve months, except for investments in financial assets held at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

The amendments made by AASB 2016-2 *Amendments to Australian Accounting Standard - Disclosure Initiative: Amendments to AASB 107* require disclosure of changes in liabilities arising from financing activities. The relevant information is provided in note 9.

(b) Financial instruments

(i) Classification

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

- Financial instruments held for trading

Derivative financial instruments such as futures, forward foreign exchange contracts, options and swaps are included under this classification. The Funds do not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in listed equity securities, listed unit trusts, listed property trusts, unlisted unit trusts, fixed interest securities and money market securities.

Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Funds have transferred substantially all risks and rewards of ownership.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

For further details on how the fair value of the financial instruments is determined are disclosed in note 4.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, 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 Fund's 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, 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.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

(e) Margin accounts

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies (continued)

(f) Investment income

Interest income is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Funds estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incur withholding tax imposed by certain countries on investment income.

Trust distributions are recognised on an entitlements basis.

(g) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, Funds that have elected into the AMIT tax regime are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The Vanguard Global Minimum Volatility Fund does not meet the AMIT tax regime qualification and is not subject to income tax as its unitholders are presently entitled to the income of the Fund.

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

(i) Distributions

Distributions are payable as set out in the Funds' product disclosure statement. Such distributions are determined by the Responsible Entity of the Funds. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

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

Income not distributed is included in net assets attributable to unitholders. Where the Funds' units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(k) Functional and presentation currency

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/ (losses) on financial instruments held at fair value through profit or loss.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies (continued)

(l) Due from/to brokers

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

(m) Receivables and accrued income

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

(n) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

As the Funds have a contractual obligation to distribute their distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(o) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credit recovery rate of between 55% and 100%, hence Responsible Entity's fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(q) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(r) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies (continued)

(s) Investment entity exception

AASB 10 *Consolidated Financial Statements* for investment entities includes an exception to the consolidation rules for those entities qualifying as "investment entities". Subsidiaries of investment entities will be accounted for at fair value through profit or loss, in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

A parent entity will need to make an assessment of whether it meets the definition of an investment entity. An investment entity is defined as an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds have multiple investments that they control. However, the Funds have determined that they are investment entities under the definition in AASB 10, as they meet the following criteria:

- (a) the Funds have obtained funds from unitholders for the purpose of providing them with investment management services;
- (b) the Funds' business purpose, which is communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Funds are measured and evaluated on a fair value basis.

The Funds also meet all of the typical characteristics of an investment entity, including:

- (a) holding more than one investment;
- (b) having more than one investor;
- (c) having investors that are not related parties of the entity; and
- (d) having ownership interests in the form of equity or similar interests.

As the Funds measure all of their controlled entities at fair value through profit or loss, they only present separate financial statements.

(t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

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

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

The directors have assessed the impact of AASB 9 on the Funds' financial statements as follows.

For Funds that hold equity instruments, given no debt instruments are held by the Funds, which could result in a reclassification of the financial instruments to amortised cost or fair value through other comprehensive income ('FVOCI'), the adoption of AASB 9 is not expected to have a significant impact on the recognition and measurement of the Funds' financial instruments.

For Funds that hold debt instruments, fair value information remains the most relevant information in asset performance evaluation and the fund manager's compensation. As a result, the Funds will continue to report all financial assets at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Funds do not apply hedge accounting.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 Summary of significant accounting policies (continued)

(t) New accounting standards and interpretations (continued)

(ii) AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

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

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

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

(u) Rounding of amounts

The Funds are registered schemes of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars unless otherwise indicated.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Funds use different methods to measure different types of risks to which they are exposed. These methods are explained on the following pages.

(a) Market risk

(i) Price risk

The Funds are exposed to equity securities and derivative price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

In any asset sector the returns of individual securities are a combination of the market returns and returns specific to each security. By diversifying their holdings across the market, index funds are generally well protected from the specific risk of individual securities. Vanguard employs an indexing investment strategy in all asset classes in which the Funds invest.

At 30 June, the fair value of equities and related derivatives exposed to price risk were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund	
	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Derivative assets held for trading	-	-	-	-	22	-	2	9
Equity securities designated at fair value through profit or loss	95,155	27,046	76,465	64,308	440,941	52,666	1,766,349	1,579,371
Listed unit trusts designated at fair value through profit or loss	777	244	6,478	6,678	4,293,020	4,590,646	203,473	148,046
Derivative liabilities held for trading	-	-	-	-	-	(1,133)	-	-
Net total	95,932	27,290	82,943	70,986	4,733,983	4,642,179	1,969,824	1,727,426

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	Vanguard Australian Shares Index Fund		Vanguard MSCI Australian Small Companies Index ETF		Vanguard FTSE Europe Shares ETF	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equity securities designated at fair value through profit or loss	10,835,669	9,062,948	163,145	80,554	-	-
Listed unit trusts designated at fair value through profit or loss	1,308,825	1,213,052	23,614	12,017	191,782	82,400
Derivative liabilities held for trading	-	(795)	-	-	-	-
Net total	12,144,494	10,275,205	186,759	92,571	191,782	82,400

	Vanguard FTSE Emerging Markets Shares ETF		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Shares Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets held for trading	-	1	5	6	3	-
Equity securities designated at fair value through profit or loss	-	-	-	-	14,231,531	11,777,902
Listed unit trusts designated at fair value through profit or loss	203,977	110,152	-	-	323,751	-
Unlisted unit trusts designated at fair value through profit or loss	-	-	393,680	227,288	-	-
Derivative liabilities held for trading	-	-	(98)	(81)	(2)	(781)
Net total	203,977	110,153	393,587	227,213	14,555,283	11,777,121

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets held for trading	-	-	-	-	26	8	22	26
Equity securities designated at fair value through profit or loss	23,173	25,141	27,445	17,074	-	-	1,189,758	883,120
Unlisted unit trusts designated at fair value through profit or loss	-	-	-	-	4,328,286	3,211,970	-	-
Derivative liabilities held for trading	(2)	(9)	(2)	(9)	(796)	(181)	(158)	(316)
Net total	23,171	25,132	27,443	17,065	4,327,516	3,211,797	1,189,622	882,830

The table presented in note 3(b) summarises the impact on operating profit before finance costs attributable to unitholders and liabilities attributable to unitholders from possible changes in market prices that were reasonably based on the risk that the Funds were exposed to at reporting date.

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

The Funds have exposure to foreign assets and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk. The risk is measured using sensitivity analysis.

The Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard FTSE Europe Shares ETF, Vanguard Global Aggregate Bond Index Fund (Hedged), 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) and Vanguard International Shares Index Fund have exposure to foreign assets and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. The risk is measured using sensitivity analysis.

The foreign exchange risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis to investments held via interposed investment funds. In addition, any currency hedging to minimise the impact of foreign exchange risk has not been incorporated into the disclosures unless the derivatives are held directly in these Funds.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on a daily basis.

The tables below summarise the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

Vanguard FTSE Asia ex Japan Shares Index ETF										
	As at 30 June 2018					As at 30 June 2017				
	Hong Kong Dollars	Taiwan New Dollars	Korean Won	Indian Rupee	Other Currencies	Hong Kong Dollars	Taiwan New Dollars	Korean Won	Indian Rupee	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	9	-	11	-	652	40	-	-	-	151
Margin accounts	-	-	-	-	79	-	-	-	-	30
Receivables	-	-	22	-	2	-	-	10	-	-
Accrued income	173	145	44	12	18	82	38	2	3	2
Due to brokers - receivable for securities sold	2	-	-	-	-	48	6	29	7	5
Financial assets held at fair value through profit or loss	36,112	11,954	15,314	10,604	21,948	10,331	4,040	5,025	3,262	4,632
Total assets	36,296	12,099	15,391	10,616	22,699	10,501	4,084	5,066	3,272	4,820
Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	80
- Sell foreign currency	-	-	-	-	(1,150)	(80)	-	-	-	(376)
Net exposure including foreign currency forward contracts	36,296	12,099	15,391	10,616	21,549	10,421	4,084	5,066	3,272	4,524

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard FTSE Europe Shares ETF									
	As at 30 June 2018					As at 30 June 2017				
	US Dollars A\$'000	British Pounds A\$'000	Euros A\$'000	Japanese Yen A\$'000	Other Currencies A\$'000	US Dollars A\$'000	British Pounds A\$'000	Euros A\$'000	Japanese Yen A\$'000	Other Currencies A\$'000
Assets										
Cash and cash equivalents	102	-	-	-	-	1,114	-	-	-	-
Due to brokers - receivable for securities sold	2,590	-	-	-	-	251	-	-	-	-
Financial assets held at fair value through profit or loss	191,782	-	-	-	-	82,400	-	-	-	-
Total assets	194,474	-	-	-	-	83,765	-	-	-	-
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	-	-	1,090	-	-	-	-
Total liabilities	-	-	-	-	-	1,090	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	-
- Sell foreign currency	-	-	-	-	-	(250)	-	-	-	-
Net exposure including foreign currency forward contracts	194,474	-	-	-	-	82,425	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Aggregate Bond Index Fund (Hedged)										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	31,815	792	17,594	2,090	7,300	-	-	-	-	-
Margin accounts	(23)	49	132	-	27	-	-	-	-	-
Receivables	-	-	357	-	27	-	-	-	-	-
Accrued income	28	5	(1)	-	22	-	-	-	-	-
Due to brokers - receivable for securities sold	-	2,050	12,043	11,587	862	-	-	-	-	-
Financial assets held at fair value through profit or loss	1,401,988	129,136	835,882	325,728	228,980	-	-	-	-	-
Total assets	1,433,808	132,032	866,007	339,405	237,218	-	-	-	-	-
Liabilities										
Due to brokers - payable for securities purchased	152,173	357	4,099	-	1,029	-	-	-	-	-
Financial liabilities held at fair value through profit or loss	25,505	1,417	20,073	154	1,790	-	-	-	-	-
Total liabilities	177,678	1,774	24,172	154	2,819	-	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	2,017,004	132,504	872,246	354,875	272,679	-	-	-	-	-
- Sell foreign currency	(3,277,897)	(263,898)	(1,715,410)	(695,873)	(503,974)	-	-	-	-	-
Net exposure including foreign currency forward contracts	(4,763)	(1,136)	(1,329)	(1,747)	3,104	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard FTSE Emerging Markets Shares ETF										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	214	-	-	-	-	1,342	-	-	-	-
Due to brokers - receivable for securities sold	845	-	-	-	-	-	-	-	-	-
Financial assets held at fair value through profit or loss	203,977	-	-	-	-	110,153	-	-	-	-
Total assets	205,036	-	-	-	-	111,495	-	-	-	-
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	-	-	2,359	-	-	-	-
Total liabilities	-	-	-	-	-	2,359	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
-Buy foreign currency	-	-	-	-	-	1,310	-	-	-	-
-Sell foreign currency	-	-	-	-	-	-	-	-	-	-
Net exposure including foreign currency forward contracts	205,036	-	-	-	-	110,446	-	-	-	-

Vanguard MSCI Index International Shares (Hedged) ETF										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	833	171	214	105	233	586	70	49	100	76
Margin accounts	699	83	296	59	49	227	67	155	33	52
Financial assets held at fair value through profit or loss	348	57	185	32	174	-	36	1	5	54
Total assets	1,880	311	695	196	456	813	173	205	138	182
Liabilities										
Financial liabilities held at fair value through profit or loss	4,409	298	1,223	38	614	26	59	44	-	96
Total liabilities	4,409	298	1,223	38	614	26	59	44	-	96
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	282,432	29,591	55,007	41,123	44,834	153,634	17,891	32,407	21,980	27,541
- Sell foreign currency	(528,106)	(55,790)	(100,978)	(76,317)	(84,722)	(300,459)	(33,924)	(61,189)	(43,976)	(53,177)
Net exposure including foreign currency forward contracts	(248,203)	(26,186)	(46,499)	(35,036)	(40,046)	(146,038)	(15,919)	(28,621)	(21,858)	(25,550)

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard International Credit Securities Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	US Dollars A\$'000	British Pounds A\$'000	Euros A\$'000	Japanese Yen A\$'000	Other Currencies A\$'000	US Dollars A\$'000	British Pounds A\$'000	Euros A\$'000	Japanese Yen A\$'000	Other Currencies A\$'000
Assets										
Cash and cash equivalents	7,258	114	5,040	1,853	4,276	8,061	749	5,379	619	5,525
Margin accounts	143	25	82	-	38	339	167	128	28	20
Receivables	-	-	-	-	18	-	-	-	-	18
Accrued income	1	-	6	-	(1)	-	-	39	-	-
Due to brokers - receivable for securities sold	11,262	1,156	1,359	-	959	5,590	-	1,894	-	-
Financial assets held at fair value through profit or loss	417,273	33,755	211,173	27,279	51,652	846,067	71,590	401,471	60,579	104,314
Total assets	435,937	35,050	217,660	29,132	56,942	860,057	72,506	408,911	61,226	109,877
Liabilities										
Due to brokers - payable for securities purchased	3,330	179	1,093	-	349	23,306	2,543	8,869	-	1,582
Financial liabilities held at fair value through profit or loss	18,147	14	176	25	48	195	384	5,088	16	3,667
Total liabilities	21,477	193	1,269	25	397	23,501	2,927	13,957	16	5,249
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	1,444,079	36,242	222,415	30,430	58,224	2,817,164	72,026	412,974	61,359	109,100
- Sell foreign currency	(1,865,638)	(70,811)	(435,346)	(59,526)	(114,017)	(3,681,947)	(144,115)	(822,442)	(125,804)	(217,906)
Net exposure including foreign currency forward contracts	(7,099)	288	3,460	11	752	(28,227)	(2,510)	(14,514)	(3,235)	(4,178)

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Fixed Interest Index Fund (Hedged)										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	372	136	666	229	3,569	740	624	1,933	2,432	7,795
Margin accounts	86	134	73	29	-	31	121	439	93	22
Receivables	-	-	-	-	31	-	-	-	-	52
Due to brokers - receivable for securities sold	9,170	4,188	7,794	12,373	-	16,600	-	7,114	5,817	2,002
Financial assets held at fair value through profit or loss	506,612	116,430	478,595	504,908	142,792	875,112	211,684	813,197	875,473	236,258
Total assets	516,240	120,888	487,128	517,539	146,392	892,483	212,429	822,683	883,815	246,129
Liabilities										
Payables	-	-	(1)	-	(4)	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	-	-	429	45,666	6,896	34,460	15,936	1,945
Financial liabilities held at fair value through profit or loss	10,721	1,116	11,677	1,337	1,149	101	99	450	303	1,756
Total liabilities	10,721	1,116	11,676	1,337	1,574	45,767	6,995	34,910	16,239	3,701
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	926,314	125,545	493,148	541,133	198,010	1,428,186	216,809	828,942	893,467	240,085
- Sell foreign currency	(1,425,235)	(242,217)	(961,704)	(1,049,024)	(343,824)	(2,304,710)	(427,581)	(1,630,285)	(1,802,268)	(488,423)
Net exposure including foreign currency forward contracts	6,598	3,100	6,896	8,311	(996)	(29,808)	(5,338)	(13,570)	(41,225)	(5,910)

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Shares Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	115,965	10,254	23,234	18,438	13,604	137,834	11,603	31,639	20,439	16,385
Margin accounts	6,511	768	2,786	505	492	4,949	644	2,005	598	346
Receivables	76	15	13,749	8	10,780	58	11	10,413	6	8,010
Accrued income	6,880	4,594	721	1,605	1,519	6,632	3,893	452	1,277	1,273
Due to brokers - receivable for securities sold	-	51	-	4	-	-	-	-	-	-
Financial assets held at fair value through profit or loss	9,108,939	961,672	1,725,900	1,286,607	1,472,191	7,221,718	793,147	1,435,701	1,053,294	1,274,264
Total assets	9,238,371	977,354	1,766,390	1,307,167	1,498,586	7,371,191	809,298	1,480,210	1,075,614	1,300,278
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	846	-	-
Financial liabilities held at fair value through profit or loss	67	-	-	2	-	444	111	406	47	78
Total liabilities	67	-	-	2	-	444	111	1,252	47	78
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	14,009	-	1,390	-	742	161,265	4,267	9,291	4,456	4,172
- Sell foreign currency	(215,385)	-	-	(1,975)	(6,379)	(217,786)	(10,554)	(22,234)	(13,781)	(10,804)
Net exposure including foreign currency forward contracts	9,036,928	977,354	1,767,780	1,305,190	1,492,949	7,314,226	802,900	1,466,015	1,066,242	1,293,568

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Minimum Volatility Fund										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	21	3	1	4	9	17	1	7	10	14
Margin accounts	-	-	28	-	-	12	-	42	-	-
Receivables	4	-	6	-	19	2	-	4	-	15
Accrued income	47	9	-	1	8	43	6	-	1	9
Due to brokers - receivable for securities sold	37	-	-	-	32	29	-	14	-	-
Financial assets held at fair value through profit or loss	13,344	2,521	1,280	966	4,161	14,706	1,238	1,759	1,429	4,904
Total assets	13,453	2,533	1,315	971	4,229	14,809	1,245	1,826	1,440	4,942
Liabilities										
Due to brokers - payable for securities purchased	29	-	-	-	25	196	45	-	-	36
Financial liabilities held at fair value through profit or loss	655	-	2	-	7	1	29	37	-	58
Total liabilities	684	-	2	-	32	197	74	37	-	94
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	11,313	-	148	-	-	12,400	49	-	-	-
- Sell foreign currency	(22,307)	(2,519)	(1,415)	(983)	(6,021)	(24,679)	(1,250)	(1,686)	(1,742)	(7,469)
Net exposure including foreign currency forward contracts	1,775	14	46	(12)	(1,824)	2,333	(30)	103	(302)	(2,621)

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Value Equity Fund										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	5	1	1	4	8	49	4	21	16	19
Margin accounts	-	-	12	-	-	-	-	24	-	-
Receivables	-	-	18	-	5	-	-	8	-	2
Accrued income	15	10	2	2	4	9	6	1	1	2
Due to brokers - receivable for securities sold	262	11	1	18	29	-	-	-	-	-
Financial assets held at fair value through profit or loss	16,288	1,876	3,642	2,611	2,880	9,895	1,154	2,276	1,571	2,063
Total assets	16,570	1,898	3,676	2,635	2,926	9,953	1,164	2,330	1,588	2,086
Liabilities										
Financial liabilities held at fair value through profit or loss	-	-	2	-	-	-	-	9	-	-
Total liabilities	-	-	2	-	-	-	-	9	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	-
- Sell foreign currency	-	-	-	-	-	-	-	-	-	-
Net exposure including foreign currency forward contracts	16,570	1,898	3,674	2,635	2,926	9,953	1,164	2,321	1,588	2,086

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Shares Index Fund (Hedged)										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	4,665	682	579	398	(804)	6,555	901	1,519	1,215	1,984
Margin accounts	5,716	643	2,285	511	5,632	1,615	292	790	264	196
Financial assets held at fair value through profit or loss	23,406	1,253	3,632	200	2,325	4,582	1,958	1,450	8	42,952
Total assets	33,787	2,578	6,496	1,109	7,153	12,752	3,151	3,759	1,487	45,132
Liabilities										
Margin accounts	-	-	-	-	-	-	-	-	-	13,028
Payables	(1)	-	(2)	-	(8)	-	-	-	-	1
Financial liabilities held at fair value through profit or loss	88,123	1,081	6,490	105	2,384	1,237	4,520	10,101	2	12,764
Total liabilities	88,122	1,081	6,488	105	2,376	1,237	4,520	10,101	2	25,793
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	8,476,147	330,831	612,566	456,998	1,271,365	6,880,430	283,323	513,346	342,571	1,209,226
- Sell foreign currency	(11,199,160)	(620,708)	(1,121,563)	(848,783)	(1,348,003)	(9,034,623)	(516,786)	(934,492)	(661,826)	(1,219,977)
Net exposure including foreign currency forward contracts	(2,777,348)	(288,380)	(508,989)	(390,781)	(71,861)	(2,142,678)	(234,832)	(427,488)	(317,770)	8,588

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Shares Select Exclusions Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies	US Dollars	British Pounds	Euros	Japanese Yen	Other Currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets										
Cash and cash equivalents	6,824	888	1,575	1,145	3,503	9,427	937	2,755	1,746	4,471
Margin accounts	1,487	158	647	136	12,887	797	228	418	84	181
Receivables	137	2	684	2	1,474	43	1	231	3	148
Accrued income	487	353	67	117	133	413	269	32	80	98
Due to brokers - receivable for securities sold	6,354	538	1,177	874	899	-	-	-	-	-
Financial assets held at fair value through profit or loss	751,867	75,135	143,843	107,564	129,755	539,772	56,653	109,960	80,343	154,507
Total assets	767,156	77,074	147,993	109,838	148,651	550,452	58,088	113,396	82,256	159,405
Liabilities										
Margin accounts	-	-	-	-	-	-	-	-	-	21,407
Payables	-	-	-	-	7	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	-	-	-	11,867	1,261	2,796	1,812	1,979
Financial liabilities held at fair value through profit or loss	29,622	226	1,464	37	564	372	799	1,874	-	4,992
Total liabilities	29,622	226	1,464	37	571	12,239	2,060	4,670	1,812	28,378
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	1,842,380	68,710	135,191	102,393	2,120,625	1,215,481	46,186	90,445	62,867	1,429,749
- Sell foreign currency	(2,438,440)	(129,143)	(247,952)	(191,068)	(1,275,365)	(1,609,157)	(86,893)	(169,174)	(122,897)	(850,049)
Net exposure including foreign currency forward contracts	141,474	16,415	33,768	21,126	993,340	144,537	15,321	29,997	20,414	710,727

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

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

The tables below summarise those Funds whose exposure to interest rate risk is significant:

	Vanguard Australian Corporate Fixed Interest Index Fund							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	1,977	-	-	1,977	2,562	-	-	2,562
Margin accounts	16	-	-	16	55	-	-	55
Receivables	-	-	24	24	-	-	541	541
Accrued income	-	-	36	36	-	-	15	15
Financial assets held at fair value through profit or loss	314	278,828	-	279,142	314	99,775	-	100,089
Total assets	2,307	278,828	60	281,195	2,931	99,775	556	103,262
Liabilities								
Distribution payable	-	-	1,879	1,879	-	-	887	887
Payables	-	-	69	69	-	-	22	22
Due to brokers - payable for securities purchased	-	-	326	326	-	-	1,678	1,678
Financial liabilities held at fair value through profit or loss	-	2	-	2	-	5	-	5
Total liabilities (excluding net assets attributable to unit holders)	-	2	2,274	2,276	-	5	2,587	2,592
Net assets attributable to unitholders - liability	2,307	278,826	(2,214)	278,919	2,931	99,770	(2,031)	100,670
Net increase/(decrease) in exposure from Australian fixed interest futures	-	(297)	-	(297)	-	(1,179)	-	(1,179)
Net exposure	2,307	278,529	(2,214)	278,622	2,931	98,591	(2,031)	99,491

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

	Vanguard Australian Fixed Interest Index Fund							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	2,525	-	-	2,525	53,787	-	-	53,787
Margin accounts	162	-	-	162	278	-	-	278
Receivables	-	-	2,103	2,103	-	-	7,494	7,494
Accrued income	-	-	174	174	-	-	224	224
Due from brokers - receivable for securities sold	-	-	75,553	75,553	-	-	64,851	64,851
Financial assets held at fair value through profit or loss	2,149	5,649,867	-	5,652,016	1,153	5,554,085	-	5,555,238
Total assets	4,836	5,649,867	77,830	5,732,533	55,218	5,554,085	72,569	5,681,872
Liabilities								
Distribution payable	-	-	42,397	42,397	-	-	40,278	40,278
Payables	-	-	51,198	51,198	-	-	3,099	3,099
Due to brokers - payable for securities purchased	-	-	11,318	11,318	-	-	122,335	122,335
Financial liabilities held at fair value through profit or loss	-	51	-	51	-	131	-	131
Total liabilities (excluding net assets attributable to unit holders)	-	51	104,913	104,964	-	131	165,712	165,843
Net assets attributable to unitholders - liability	4,836	5,649,816	(27,083)	5,627,569	55,218	5,553,954	(93,143)	5,516,029
Net increase/(decrease) in exposure from Australian fixed interest futures	-	(9,450)	-	(9,450)	-	4,081	-	4,081
Net exposure	4,836	5,640,366	(27,083)	5,618,119	55,218	5,558,035	(93,143)	5,520,110

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

	Vanguard Australian Government Bond Index Fund							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	(250)	-	-	(250)	544	-	-	544
Margin accounts	34	-	-	34	107	-	-	107
Receivables	-	-	24	24	-	-	313	313
Accrued income	-	-	-	-	-	-	1	1
Due from brokers - receivable for securities sold	-	-	4,065	4,065	-	-	5,230	5,230
Financial assets held at fair value through profit or loss	-	438,891	-	438,891	-	491,401	-	491,401
Total assets	(216)	438,891	4,089	442,764	651	491,401	5,544	497,596
Liabilities								
Distribution payable	-	-	2,596	2,596	-	-	3,412	3,412
Payables	-	-	169	169	-	-	212	212
Due to brokers - payable for securities purchased	-	-	1,013	1,013	-	-	5,683	5,683
Total liabilities (excluding net assets attributable to unit holders)	-	-	3,778	3,778	-	-	9,307	9,307
Net assets attributable to unitholders - liability	(216)	438,891	311	438,986	651	491,401	(3,763)	488,289
Net increase/(decrease) in exposure from Australian fixed interest futures	-	-	-	-	-	(97)	-	(97)
Net exposure	(216)	438,891	311	438,986	651	491,304	(3,763)	488,192

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	48,477	-	-	48,477	-	-	-	-
Margin accounts	40,485	-	-	40,485	-	-	-	-
Receivables	-	-	1,400	1,400	-	-	-	-
Accrued income	-	-	65	65	-	-	-	-
Due from brokers - receivable for securities sold	-	-	26,954	26,954	-	-	-	-
Financial assets held at fair value through profit or loss	41,821	3,046,816	15,764	3,104,401	-	-	-	-
Total assets	130,783	3,046,816	44,183	3,221,782	-	-	-	-
Liabilities								
Distribution payable	-	-	7,036	7,036	-	-	-	-
Payables	-	-	43,841	43,841	-	-	-	-
Due to brokers - payable for securities purchased	-	-	157,658	157,658	-	-	-	-
Financial liabilities held at fair value through profit or loss	-	10	56,141	56,151	-	-	-	-
Total liabilities (excluding net assets attributable to unit holders)	-	10	264,676	264,686	-	-	-	-
Net assets attributable to unitholders - liability	130,783	3,046,806	(220,493)	2,957,096	-	-	-	-
Net increase/(decrease) in exposure from international money market futures	-	(3,948)	-	(3,948)	-	-	-	-
Net exposure	130,783	3,042,858	(220,493)	2,953,148	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

	Vanguard International Credit Securities Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	21,038	-	-	21,038	22,812	-	-	22,812
Margin accounts	310	-	-	310	753	-	-	753
Receivables	-	-	167	167	-	-	2,856	2,856
Accrued income	-	-	9	9	-	-	43	43
Due from brokers - receivable for securities sold	-	-	14,736	14,736	-	-	7,484	7,484
Financial assets held at fair value through profit or loss	29,923	724,956	2,187	757,066	37,200	1,474,261	46,372	1,557,833
Total assets	51,271	724,956	17,099	793,326	60,765	1,474,261	56,755	1,591,781
Liabilities								
Distribution payable	-	-	13,737	13,737	-	-	36,673	36,673
Payables	-	-	1,782	1,782	-	-	419	419
Due to brokers - payable for securities purchased	-	-	4,951	4,951	-	-	36,300	36,300
Financial liabilities held at fair value through profit or loss	-	51	18,361	18,412	-	66	9,365	9,431
Total liabilities (excluding net assets attributable to unit holders)	-	51	38,831	38,882	-	66	82,757	82,823
Net assets attributable to unitholders - liability	51,271	724,905	(21,732)	754,444	60,765	1,474,195	(26,002)	1,508,958
Net increase/(decrease) in exposure from Australian fixed interest futures	-	295	-	295	-	1,470	-	1,470
Net increase/(decrease) in exposure from international money market futures	-	2,198	-	2,198	-	25,444	-	25,444
Net exposure	51,271	727,398	(21,732)	756,937	60,765	1,501,109	(26,002)	1,535,872

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(a) Market risk (continued)

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

	Vanguard International Fixed Interest Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	4,966	-	-	4,966	19,318	-	-	19,318
Margin accounts	23,920	-	-	23,920	779	-	-	779
Receivables	-	-	331	331	-	-	9,356	9,356
Due from brokers - receivable for securities sold	-	-	33,525	33,525	-	-	31,533	31,533
Financial assets held at fair value through profit or loss	-	1,766,768	13,123	1,779,891	10,432	3,132,844	86,858	3,230,134
Total assets	28,886	1,766,768	46,979	1,842,633	30,529	3,132,844	127,747	3,291,120
Liabilities								
Margin accounts	-	-	-	-	71,818	-	-	71,818
Distribution payable	-	-	10,700	10,700	-	-	40,580	40,580
Payables	-	-	2,441	2,441	-	-	1,308	1,308
Due to brokers - payable for securities purchased	-	-	429	429	-	-	108,989	108,989
Financial liabilities held at fair value through profit or loss	-	23	33,073	33,096	-	-	3,133	3,133
Total liabilities (excluding net assets attributable to unit holders)	-	23	46,643	46,666	71,818	-	154,010	225,828
Net assets attributable to unitholders - liability	28,886	1,766,745	336	1,795,967	(41,289)	3,132,844	(26,263)	3,065,292
Net increase/(decrease) in exposure from international fixed interest futures	-	3,677	-	3,677	-	-	-	-
Net increase/(decrease) in exposure from international money market futures	-	-	-	-	-	(4,305)	-	(4,305)
Net exposure	28,886	1,770,422	336	1,799,644	(41,289)	3,128,539	(26,263)	3,060,987

The table presented in note 3(b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows.

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

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

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

Impact on operating profit/(loss) and net assets attributable to unitholders												
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		
Interest rate risk		Interest rate risk		Interest rate risk		Price risk		Price risk		Price risk		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
-0bps	+0bps	-0bps	+0bps	-0bps	+0bps	-3%	+4%	-4%	+5%	-3%	+4%	
30 June 2018												
-	-	-	-	-	-	(2,488)	3,318	(189,360)	236,699	(59,094)	78,793	
30 June 2017												
-25bps	+25bps	-25bps	+25bps	-25bps	+25bps	-3%	+4%	-4%	+5%	-3%	+5%	
242	(242)	13,747	(13,747)	1,227	(1,227)	(2,130)	2,839	(185,687)	232,109	(51,823)	86,371	

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Australian Shares Index Fund		Vanguard MSCI Australian Small Companies Index ETF		Vanguard FTSE Europe Shares ETF		Foreign exchange risk US Dollar		Vanguard FTSE Emerging Markets Shares ETF		Foreign exchange risk US Dollar		
Price risk		Price risk		Price risk		Price risk		Price risk		Price risk		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
-3%	+4%	-3%	+4%	-3%	+4%	-10%	+1%	-2%	+3%	-10%	+1%	
30 June 2018												
(364,335)	485,780	(5,602)	7,471	(5,753)	7,671	(269)	27	(4,080)	6,119	(106)	11	
30 June 2017												
-3%	+4%	-4%	+5%	-4%	+5%	-0%	+6%	-2%	+3%	-0%	+6%	
(308,256)	411,008	(3,703)	4,629	(3,296)	4,120	-	17	(2,203)	3,305	-	(61)	

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard FTSE Asia ex Japan Shares Index ETF													
Price risk		Foreign exchange risk											
\$'000	\$'000	HK Dollar		Taiwan New Dollar		Korean Won		Indian Rupee		Other			
		Low	High	Low	High	Low	High	Low	High	Low	High		
		-2%	+4%	-9%	+1%	-8%	+1%	-11%	+3%	-2%	+4%	-8%	+2%
30 June 2018	(1,919)	3,837	(17)	2	(12)	1	(8)	2	-	-	(60)	15	
		-2%	+4%	-0%	+7%	-5%	+5%	-1%	+6%	-4%	+5%	-2%	+4%
30 June 2017	(546)	1,092	-	12	(2)	2	-	2	-	1	(4)	8	

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Aggregate Bond Index Fund (Hedged)													
Interest rate risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other			
		Low	High	Low	High	Low	High	Low	High	Low	High		
		-0bps	+0bps	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	-	-	(125,613)	12,561	(13,026)	5,210	(75,765)	16,837	(30,533)	3,393	(18,752)	4,688	
		-25bps	+25bps	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	-	-	-	-	-	-	-	-	-	-	-	-	

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard MSCI Index International Shares (Hedged) ETF													
Price risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other			
		Low	High	Low	High	Low	High	Low	High	Low	High		
		-2%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(7,872)	15,743	245	(25)	(1)	1	46	(10)	(15)	2	13	(3)	
		-2%	+4%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(4,544)	9,089	-	49	(9)	6	(16)	4	(3)	17	(2)	4	

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Credit Securities Index Fund (Hedged)													
Interest rate risk		Foreign exchange risk											
\$'000	\$'000	US Dollar		British Pound		Euro		Japanese Yen		Other			
		Low	High	Low	High	Low	High	Low	High	Low	High		
		-0bps	+0bps	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	-	-	(41,446)	4,145	(3,486)	1,394	(19,475)	4,328	(2,620)	291	(4,523)	1,131	
		-25bps	+25bps	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	3,534	(3,534)	-	50,193	(4,871)	3,479	(31,596)	7,899	(1,224)	7,957	(2,093)	4,185	

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Fixed Interest Index Fund (Hedged)												
Interest rate risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-0bps	+0bps	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	-	-	(50,554)	5,055	(11,977)	4,791	(42,789)	9,509	(46,458)	5,162	(11,585)	2,896
	-25bps	+25bps	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	7,935	(7,935)	-	50,803	(14,380)	10,272	(63,022)	15,755	(17,351)	112,781	(4,849)	9,697

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Index Fund												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-3%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(436,659)	582,211	(12,937)	1,294	(1,568)	627	(3,645)	810	(1,850)	206	(2,112)	528
	-3%	+4%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(353,314)	471,085	-	89,633	(1,131)	808	(3,493)	873	(447)	2,903	(520)	1,040

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Global Minimum Volatility Fund												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-2%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(464)	927	43	(4)	(1)	-	(3)	1	-	-	(3)	1
	-2%	+4%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(503)	1,005	-	(2)	5	(3)	(3)	1	-	1	1	(2)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Global Value Equity Fund												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-1%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(274)	1,098	(28)	3	(2)	1	(3)	1	(2)	-	(4)	1
	-2%	+4%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(341)	683	-	3	(1)	1	(4)	1	-	2	-	1

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Index Fund (Hedged)												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-3%	+5%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(129,826)	216,376	5,374	(537)	(149)	60	(11)	2	(99)	11	(381)	95
	-4%	+5%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(128,472)	160,590	-	693	94	(67)	500	(125)	(30)	192	(387)	774

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Select Exclusions Index Fund												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other		
'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-1%	+3%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 June 2018	(11,897)	35,689	344	(34)	(199)	79	(319)	71	(210)	23	(1,979)	495
	-2%	+3%	-0%	+6%	-7%	+5%	-8%	+2%	-2%	+13%	-2%	+4%
30 June 2017	(17,657)	26,485	-	(31)	16	(11)	72	(18)	(2)	13	(663)	1,326

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk, to which the Funds are exposed, arises from the Funds' investments in debt securities. The Funds are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

For Funds which invest in forward exchange contracts there is a risk associated with unrealised profits.

Credit risk is managed by ensuring that:

- counterparties with respective credit limits are approved by the Responsible Entity; and
- transactions are undertaken with a number of counterparties.

The Funds invest in fixed interest securities and money market securities which have credit ratings as rated by well-known rating agencies. For unrated fixed interest securities a rating is assigned by the investment manager using an approach that is consistent with the approach used by rating agencies.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. There were no significant concentrations of credit risk to counterparties at 30 June 2018 or 30 June 2017.

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(c) Credit risk (continued)

(i) Debt securities

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

Vanguard will try to minimise the credit risk associated with holding bonds by primarily holding government and supranational (issued by government-owned or government-guaranteed entities) bonds or other investment-grade entities. Investment-grade issuers are defined as those rated BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. An analysis of debt by rating is set out in the table below.

Rating	Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AAA	50,823	17,914	4,129,776	4,122,941	351,876	393,697	1,121,832	-	95,977	219,182	672,001	1,169,094
Aa3	978	406	7,765	7,487	-	-	13,118	-	2,279	1,107	13,168	20,698
Aa3e	-	-	-	-	-	-	-	-	-	967	-	-
Aa2	3,804	1,331	40,632	36,071	3,319	2,936	193,512	-	10,397	20,539	232,538	210,440
Aa2e	-	-	-	-	-	-	-	-	-	1,454	-	-
Aa1	3,087	1,233	30,874	13,445	1,649	-	22,083	-	7,734	13,286	1,075	210,516
Aa1e	-	-	-	-	-	-	-	-	-	653	-	-
Aaae	-	-	-	-	-	-	-	-	-	1,236	-	-
AA+	10,904	3,565	768,934	774,096	74,181	85,445	91,579	-	46,119	69,329	25,589	50,096
AA	5,445	1,789	97,070	90,949	7,866	9,320	60,619	-	36,712	75,074	17,101	32,221
AA-	50,373	20,909	145,738	166,735	-	-	103,901	-	48,594	113,770	29,162	41,427
A3	8,032	3,301	21,148	15,769	-	-	12,778	-	3,858	3,200	9,472	13,080
A3e	-	198	-	1,091	-	-	-	-	-	589	-	-
A2	991	488	1,282	973	-	-	2,537	-	1,522	4,693	-	-
A2e	-	-	-	-	-	-	-	-	-	576	-	-
A1	713	359	3,875	3,182	-	-	289,249	-	9,500	17,099	495,308	812,563
A1e	-	-	-	-	-	-	-	-	-	1,506	-	-
A+	17,023	5,021	57,738	35,281	-	-	120,896	-	68,421	116,253	18,736	30,067
A+e	-	-	-	-	-	-	-	-	-	98	-	-
Ae	-	-	-	-	-	-	-	-	-	292	-	-
A	24,232	14,610	61,679	90,865	-	-	94,271	-	58,889	140,040	16,170	76,448
A-	44,076	10,649	118,368	70,135	-	-	133,383	-	82,405	145,172	12,550	17,085
A-1+	-	-	-	-	-	-	123,112	-	-	-	2	88,805
BBB+	27,901	6,382	78,739	49,040	-	-	162,160	-	111,891	223,909	-	116,462
BBB	16,138	6,592	39,041	37,070	-	-	111,400	-	89,523	146,809	-	-
BBB-	5,327	1,792	15,229	14,401	-	-	86,078	-	57,317	110,956	2,174	15,797
BB+	-	-	-	-	-	-	3,441	-	1,915	8,557	-	-
BB	-	-	-	-	-	-	1,550	-	1,891	2,981	-	-
Ba1	-	-	-	-	-	-	9,826	-	312	-	9,929	-
BB-	-	-	-	-	-	-	972	-	437	285	-	-
Baa1	3,616	1,112	13,514	4,661	-	-	75,078	-	3,198	6,899	70,950	6,213
Baa2	3,724	1,626	15,164	14,727	-	-	123,596	-	5,715	8,451	113,239	180,903
Baa3	1,345	504	4,231	4,326	-	-	4,718	-	3,761	6,569	-	-
Not Rated	607	297	1,113	1,984	-	-	126,917	-	6,501	49,907	27,585	51,331
Total	279,139	100,078	5,651,910	5,555,229	438,891	491,398	3,088,606	-	754,868	1,511,438	1,766,749	3,143,246

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(c) Credit risk (continued)

(ii) Derivatives

The Responsible Entity has established counterparty limits such that, at any time, exposure to derivative financial instruments equivalent to less than 5% of the value of a Fund are with any individual counterparty, and all contracts are with counterparties included in the Board's Approved Counterparties list.

The Funds also restrict their exposure to credit losses on derivative instruments they hold by entering into master netting arrangements with counterparties with whom they undertake a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities unless transactions are settled on a net basis. However, the credit risk associated with favourable contracts is reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Funds' overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangements. As at 30 June 2018, the Funds do not have outstanding netting arrangements that materially impact offsetting of financial assets and liabilities on the balance sheet. As a result, the financial assets and liabilities are presented on a gross basis.

During the year, the Funds could enter into collateral arrangements for forward foreign exchange contracts, repurchase agreements and reverse repurchase agreements to assist in enhancing returns in a risk controlled environment for the cash flow management of the Funds. Refer to Note 6 for the balances in relation to these arrangements as of year end.

(iii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has made payment. Payment is made on purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligations.

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A1+ short-term Standard & Poor's credit ratings (or Moody's equivalent).

In accordance with the Responsible Entity's derivatives policy, the Responsible Entity monitors the Funds' exposures on a daily basis, which the Board of Directors reviews quarterly. The derivatives policy is subject to annual review.

(v) Other

The Funds are not materially exposed to credit risk on other financial assets. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets.

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely JP Morgan Chase & Co. JP Morgan Chase & Co is a member of a major securities exchange, and at 30 June 2018 had a credit rating of A-1 (30 June 2017: A-1). At 30 June 2018, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JP Morgan Chase & Co.

(d) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds primarily hold investments that are traded in active markets and can be readily disposed. The Funds' financial instruments include investments in equity investments, fixed interest securities and derivative contracts traded over-the-counter and on an exchange. The Funds' listed securities are considered to be readily realisable as they are all listed on major stock exchanges. The Funds may use futures to gain market exposure without investing directly in the securities. This allows the Funds to maintain liquidity without being under-invested in their respective investment policies. The derivatives are not used to leverage the Funds' portfolios.

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The tables below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are contractual undiscounted cash flows.

Vanguard FTSE Asia ex Japan Shares Index ETF										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	1,285	-	-	-	1,285	420	-	-	-	420
Payables	37	-	-	-	37	9	-	-	-	9
Net assets attributable to unitholders*	-	-	-	-	-	27,326	-	-	-	27,326
Total liabilities	1,322	-	-	-	1,322	27,755	-	-	-	27,755

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

Vanguard Australian Corporate Fixed Interest Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	-	2	-	-	2	-	5	-	-	5
Distribution payable	1,879	-	-	-	1,879	887	-	-	-	887
Payables	69	-	-	-	69	22	-	-	-	22
Due to brokers - payables for securities purchased	326	-	-	-	326	1,678	-	-	-	1,678
Net assets attributable to unitholders	278,919	-	-	-	278,919	100,670	-	-	-	100,670
Total liabilities	281,193	2	-	-	281,195	103,257	5	-	-	103,262

Vanguard Australian Fixed Interest Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	-	51	-	-	51	-	131	-	-	131
Distribution payable	42,397	-	-	-	42,397	40,278	-	-	-	40,278
Payables	51,198	-	-	-	51,198	3,099	-	-	-	3,099
Due to brokers - payables for securities purchased	11,318	-	-	-	11,318	122,335	-	-	-	122,335
Net assets attributable to unitholders	5,627,569	-	-	-	5,627,569	5,516,029	-	-	-	5,516,029
Total liabilities	5,732,482	51	-	-	5,732,533	5,681,741	131	-	-	5,681,872

Vanguard Australian Government Bond Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	2,596	-	-	-	2,596	3,412	-	-	-	3,412
Payables	169	-	-	-	169	212	-	-	-	212
Due to brokers - payables for securities purchased	1,013	-	-	-	1,013	5,683	-	-	-	5,683
Net assets attributable to unitholders	438,986	-	-	-	438,986	488,289	-	-	-	488,289
Total liabilities	442,764	-	-	-	442,764	497,596	-	-	-	497,596

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard MSCI Australian Large Companies Index ETF										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	403	-	-	-	403	407	-	-	-	407
Payables	47	-	-	-	47	13	-	-	-	13
Net assets attributable to unitholders*	-	-	-	-	-	71,133	-	-	-	71,133
Total liabilities	450	-	-	-	450	71,553	-	-	-	71,553

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

Vanguard Australian Property Securities Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	1,133	-	-	1,133
Distribution payable	26,583	-	-	-	26,583	54,291	-	-	-	54,291
Payables	3,386	-	-	-	3,386	54,592	-	-	-	54,592
Due to brokers - payables for securities purchased	49,448	-	-	-	49,448	9,534	-	-	-	9,534
Net assets attributable to unitholders	4,748,765	-	-	-	4,748,765	4,674,221	-	-	-	4,674,221
Total liabilities	4,828,182	-	-	-	4,828,182	4,792,638	1,133	-	-	4,793,771

Vanguard Australian Shares High Yield Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	61,238	-	-	-	61,238	48,097	-	-	-	48,097
Payables	5,025	-	-	-	5,025	627	-	-	-	627
Due to brokers - payables for securities purchased	3,291	-	-	-	3,291	8,495	-	-	-	8,495
Net assets attributable to unitholders	1,954,736	-	-	-	1,954,736	1,729,794	-	-	-	1,729,794
Total liabilities	2,024,290	-	-	-	2,024,290	1,787,013	-	-	-	1,787,013

Vanguard Australian Shares Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	795	-	-	795
Distribution payable	157,463	-	-	-	157,463	158,498	-	-	-	158,498
Payables	147,491	-	-	-	147,491	3,692	-	-	-	3,692
Due to brokers - payables for securities purchased	2,113	-	-	-	2,113	20,496	-	-	-	20,496
Net assets attributable to unitholders	12,083,700	-	-	-	12,083,700	10,290,342	-	-	-	10,290,342
Total liabilities	12,390,767	-	-	-	12,390,767	10,473,028	795	-	-	10,473,823

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard MSCI Australian Small Companies Index ETF									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Margin accounts	1	-	-	-	1	-	-	-	-	-
Distribution payable	1,842	-	-	-	1,842	2,724	-	-	-	2,724
Payables	46	-	-	-	46	23	-	-	-	23
Due to brokers - payables for securities purchased	223	-	-	-	223	433	-	-	-	433
Net assets attributable to unitholders*	-	-	-	-	-	92,012	-	-	-	92,012
Total liabilities	2,112	-	-	-	2,112	95,192	-	-	-	95,192

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to 1 for further details.

	Vanguard FTSE Europe Shares ETF									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	2,927	-	-	-	2,927	917	-	-	-	917
Payables	43	-	-	-	43	16	-	-	-	16
Due to brokers - payables for securities purchased	-	-	-	-	-	1,090	-	-	-	1,090
Net assets attributable to unitholders*	-	-	-	-	-	82,374	-	-	-	82,374
Total liabilities	2,970	-	-	-	2,970	84,397	-	-	-	84,397

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

	Vanguard Global Aggregate Bond Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	52,252	3,899	-	-	56,151	-	-	-	-	-
Distribution payable	7,036	-	-	-	7,036	-	-	-	-	-
Payables	43,841	-	-	-	43,841	-	-	-	-	-
Due to brokers - payables for securities purchased	157,658	-	-	-	157,658	-	-	-	-	-
Net assets attributable to unitholders	2,957,096	-	-	-	2,957,096	-	-	-	-	-
Total liabilities	3,217,883	3,899	-	-	3,221,782	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard FTSE Emerging Markets Shares ETF									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	936	-	-	-	936	504	-	-	-	504
Payables	64	-	-	-	64	28	-	-	-	28
Due to brokers - payables for securities purchased	-	-	-	-	-	2,359	-	-	-	2,359
Net assets attributable to unitholders*	-	-	-	-	-	110,433	-	-	-	110,433
Total liabilities	1,000	-	-	-	1,000	113,324	-	-	-	113,324

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

	Vanguard MSCI Index International Shares (Hedged) ETF									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	7,235	436	-	-	7,671	1,371	167	-	-	1,538
Margin accounts	-	-	-	-	-	5,300	-	-	-	5,300
Distribution payable	4,385	-	-	-	4,385	10,197	-	-	-	10,197
Payables	37	-	-	-	37	11	-	-	-	11
Net assets attributable to unitholders*	-	-	-	-	-	237,187	-	-	-	237,187
Total liabilities	11,657	436	-	-	12,093	254,066	167	-	-	254,233

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

	Vanguard International Credit Securities Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	18,313	99	-	-	18,412	9,055	376	-	-	9,431
Distribution payable	13,737	-	-	-	13,737	36,673	-	-	-	36,673
Payables	1,782	-	-	-	1,782	419	-	-	-	419
Due to brokers - payables for securities purchased	4,951	-	-	-	4,951	36,300	-	-	-	36,300
Net assets attributable to unitholders	754,444	-	-	-	754,444	1,508,958	-	-	-	1,508,958
Total liabilities	793,227	99	-	-	793,326	1,591,405	376	-	-	1,591,781

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard International Fixed Interest Index Fund (Hedged)										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	30,959	2,137	-	-	33,096	2,095	1,038	-	-	3,133
Margin accounts	-	-	-	-	-	71,818	-	-	-	71,818
Distribution payable	10,700	-	-	-	10,700	40,580	-	-	-	40,580
Payables	2,441	-	-	-	2,441	1,308	-	-	-	1,308
Due to brokers - payables for securities purchased	429	-	-	-	429	108,989	-	-	-	108,989
Net assets attributable to unitholders	1,795,967	-	-	-	1,795,967	3,065,292	-	-	-	3,065,292
Total liabilities	1,840,496	2,137	-	-	1,842,633	3,290,082	1,038	-	-	3,291,120

Vanguard International Shares Index Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	99	2	-	-	101	305	781	-	-	1,086
Distribution payable	322,005	-	-	-	322,005	563,256	-	-	-	563,256
Payables	133,129	-	-	-	133,129	35,838	-	-	-	35,838
Due to brokers - payables for securities purchased	-	-	-	-	-	846	-	-	-	846
Net assets attributable to unitholders	14,345,039	-	-	-	14,345,039	11,514,957	-	-	-	11,514,957
Total liabilities	14,800,272	2	-	-	14,800,274	12,115,202	781	-	-	12,115,983

Vanguard Global Minimum Volatility Fund										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities held at fair value through profit or loss	663	2	-	-	665	118	9	-	-	127
Distribution payable	-	-	-	-	-	1,127	-	-	-	1,127
Payables	7	-	-	-	7	7	-	-	-	7
Due to brokers - payables for securities purchased	62	-	-	-	62	277	-	-	-	277
Net assets attributable to unitholders	23,652	-	-	-	23,652	24,783	-	-	-	24,783
Total liabilities	24,384	2	-	-	24,386	26,312	9	-	-	26,321

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard Global Value Equity Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	-	2	-	-	2	-	9	-	-	9
Distribution payable	1,584	-	-	-	1,584	645	-	-	-	645
Payables	7	-	-	-	7	5	-	-	-	5
Net assets attributable to unitholders	26,387	-	-	-	26,387	16,715	-	-	-	16,715
Total liabilities	27,978	2	-	-	27,980	17,365	9	-	-	17,374

	Vanguard International Shares Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	98,795	10,933	-	-	109,728	48,506	5,579	-	-	54,085
Margin accounts	-	-	-	-	-	82,898	-	-	-	82,898
Distribution payable	130,725	-	-	-	130,725	453,028	-	-	-	453,028
Payables	23,719	-	-	-	23,719	1,110	-	-	-	1,110
Net assets attributable to unitholders	4,411,994	-	-	-	4,411,994	3,142,176	-	-	-	3,142,176
Total liabilities	4,665,233	10,933	-	-	4,676,166	3,727,718	5,579	-	-	3,733,297

	Vanguard International Shares Select Exclusions Index Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities held at fair value through profit or loss	24,557	7,460	-	-	32,017	6,691	1,378	-	-	8,069
Margin accounts	-	-	-	-	-	21,407	-	-	-	21,407
Distribution payable	14,623	-	-	-	14,623	2,425	-	-	-	2,425
Payables	1,630	-	-	-	1,630	202	-	-	-	202
Due to brokers - payables for securities purchased	-	-	-	-	-	19,715	-	-	-	19,715
Net assets attributable to unitholders	1,203,526	-	-	-	1,203,526	917,146	-	-	-	917,146
Total liabilities	1,244,336	7,460	-	-	1,251,796	967,586	1,378	-	-	968,964

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross settled derivative financial instruments

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

Vanguard FTSE Asia ex Japan Shares Index ETF										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative										
Inflows	1,150	-	-	-	1,150	456	-	-	-	456
(Outflows)	(1,150)	-	-	-	(1,150)	(456)	-	-	-	(456)
Net	-	-	-	-	-	-	-	-	-	-

Vanguard FTSE Europe Shares ETF										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative										
Inflows	-	-	-	-	-	250	-	-	-	250
(Outflows)	-	-	-	-	-	(250)	-	-	-	(250)
Net	-	-	-	-	-	-	-	-	-	-

Vanguard Global Aggregate Bond Index Fund (Hedged)										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative										
Inflows	6,227,531	3,114,425	-	-	9,341,956	-	-	-	-	-
(Outflows)	(6,271,402)	(3,110,932)	-	-	(9,382,334)	-	-	-	-	-
Net	(43,871)	3,493	-	-	(40,378)	-	-	-	-	-

Vanguard FTSE Emerging Markets Shares ETF										
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative										
Inflows	-	-	-	-	-	1,311	-	-	-	1,311
(Outflows)	-	-	-	-	-	(1,310)	-	-	-	(1,310)
Net	-	-	-	-	-	1	-	-	-	1

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard MSCI Index International Shares (Hedged) ETF									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	862,634	435,966	-	-	1,298,600	499,697	245,259	-	-	744,956
(Outflows)	(868,941)	(435,212)	-	-	(1,304,153)	(494,196)	(244,256)	-	-	(738,452)
Net	(6,307)	754	-	-	(5,553)	5,501	1,003	-	-	6,504

	Vanguard International Credit Securities Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,215,359	1,132,734	-	-	3,348,093	4,323,897	2,162,884	-	-	6,486,781
(Outflows)	(2,231,517)	(1,132,751)	-	-	(3,364,268)	(4,286,582)	(2,163,192)	-	-	(6,449,774)
Net	(16,158)	(17)	-	-	(16,175)	37,315	(308)	-	-	37,007

	Vanguard International Fixed Interest Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	3,921,372	1,932,699	-	-	5,854,071	6,487,812	3,225,751	-	-	9,713,563
(Outflows)	(3,946,329)	(1,927,692)	-	-	(5,874,021)	(6,403,105)	(3,226,733)	-	-	(9,629,838)
Net	(24,957)	5,007	-	-	(19,950)	84,707	(982)	-	-	83,725

	Vanguard International Shares Index Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	225,255	-	-	-	225,255	379,272	-	-	-	379,272
(Outflows)	(225,354)	-	-	-	(225,354)	(379,355)	-	-	-	(379,355)
Net	(99)	-	-	-	(99)	(83)	-	-	-	(83)

	Vanguard Global Minimum Volatility Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	33,953	-	-	-	33,953	36,921	-	-	-	36,921
(Outflows)	(34,470)	-	-	-	(34,470)	(36,590)	-	-	-	(36,590)
Net	(517)	-	-	-	(517)	331	-	-	-	331

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard Global Value Equity Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	-	-	-	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard International Shares Index Fund (Hedged)									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	13,084,212	6,711,230	-	-	19,795,442	10,865,503	5,047,707	-	-	15,913,210
(Outflows)	(13,155,470)	(6,706,461)	-	-	(19,861,931)	(10,775,181)	(5,032,850)	-	-	(15,808,031)
Net	(71,258)	4,769	-	-	(66,489)	90,322	14,857	-	-	105,179

	Vanguard International Shares Select Exclusions Index Fund									
	As at 30 June 2018					As at 30 June 2017				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,873,268	1,434,698	-	-	4,307,966	1,934,420	919,612	-	-	2,854,032
(Outflows)	(2,886,062)	(1,441,134)	-	-	(4,327,196)	(1,913,027)	(918,350)	-	-	(2,831,377)
Net	(12,794)	(6,436)	-	-	(19,230)	21,393	1,262	-	-	22,655

4 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) (see note 6 and 7)
- Financial assets / liabilities held for trading (see note 6 and 7)
- Derivative financial instruments (see note 8)

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;

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

(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(b) to the financial statements. For the majority of investments, the Funds rely on information provided by independent pricing services for the valuation of investments.

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

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

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

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

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

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

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

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

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

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

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

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 30 June 2018 and 30 June 2017.

	Vanguard FTSE Asia ex Japan Shares Index ETF							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equity securities	95,104	51	-	95,155	26,279	767	-	27,046
Listed unit trusts	777	-	-	777	244	-	-	244
Total	95,881	51	-	95,932	26,523	767	-	27,290

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Australian Corporate Fixed Interest Index Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	3	-	-	3	11	-	-	11
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	279,139	-	279,139	-	100,078	-	100,078
Total	3	279,139	-	279,142	11	100,078	-	100,089
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	2	-	-	2	5	-	-	5
Total	2	-	-	2	5	-	-	5

	Vanguard Australian Fixed Interest Index Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	106	-	-	106	9	-	-	9
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	5,651,910	-	5,651,910	-	5,555,229	-	5,555,229
Total	106	5,651,910	-	5,652,016	9	5,555,229	-	5,555,238
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	51	-	-	51	131	-	-	131
Total	51	-	-	51	131	-	-	131

	Vanguard Australian Government Bond Index Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	-	-	-	-	3	-	-	3
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	438,891	-	438,891	-	491,398	-	491,398
Money market securities	-	-	-	-	-	-	-	-
Total	-	438,891	-	438,891	3	491,398	-	491,401

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard MSCI Australian Large Companies Index ETF							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equity securities	76,465	-	-	76,465	64,308	-	-	64,308
Listed unit trusts	6,478	-	-	6,478	6,678	-	-	6,678
Total	82,943	-	-	82,943	70,986	-	-	70,986

	Vanguard Australian Property Securities Index Fund							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	22	-	-	22	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equity securities	440,941	-	-	440,941	52,666	-	-	52,666
Listed unit trusts	4,293,020	-	-	4,293,020	4,590,646	-	-	4,590,646
Total	4,733,983	-	-	4,733,983	4,643,312	-	-	4,643,312
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	-	-	-	-	1,133	-	-	1,133
Total	-	-	-	-	1,133	-	-	1,133

	Vanguard Australian Shares High Yield Fund							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	2	-	-	2	9	-	-	9
Financial assets designated at fair value through profit or loss:								
Equity securities	1,766,349	-	-	1,766,349	1,579,371	-	-	1,579,371
Listed unit trusts	203,473	-	-	203,473	148,046	-	-	148,046
Total	1,969,824	-	-	1,969,824	1,727,426	-	-	1,727,426

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Australian Shares Index Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equity securities	10,835,047	622	-	10,835,669	9,062,110	838	-	9,062,948
Listed unit trusts	1,308,825	-	-	1,308,825	1,213,052	-	-	1,213,052
Total	12,143,872	622	-	12,144,494	10,275,162	838	-	10,276,000
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	-	-	-	-	795	-	-	795
Total	-	-	-	-	795	-	-	795

	Vanguard MSCI Australian Small Companies Index ETF							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equity securities	163,093	52	-	163,145	80,476	78	-	80,554
Listed unit trusts	23,614	-	-	23,614	12,017	-	-	12,017
Total	186,707	52	-	186,759	92,493	78	-	92,571

	Vanguard FTSE Europe Shares ETF							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed unit trusts	191,782	-	-	191,782	82,400	-	-	82,400
Total	191,782	-	-	191,782	82,400	-	-	82,400

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	31	15,764	-	15,795	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	3,088,606	-	3,088,606	-	-	-	-
Total	31	3,104,370	-	3,104,401	-	-	-	-
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	10	56,141	-	56,151	-	-	-	-
Total	10	56,141	-	56,151	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard FTSE Emerging Markets Shares ETF							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	-	-	-	-	-	1	-	1
Financial assets designated at fair value through profit or loss:								
Listed unit trusts	203,977	-	-	203,977	110,152	-	-	110,152
Total	203,977	-	-	203,977	110,152	1	-	110,153

	Vanguard MSCI Index International Shares (Hedged) ETF							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	5	2,019	-	2,024	6	7,960	-	7,966
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	393,680	-	393,680	-	227,288	-	227,288
Fixed interest securities*	-	7,594	-	7,594	-	12,000	-	12,000
Total	5	403,293	-	403,298	6	247,248	-	247,254
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	98	7,573	-	7,671	81	1,457	-	1,538
Total	98	7,573	-	7,671	81	1,457	-	1,538

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

	Vanguard International Credit Securities Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	11	2,187	-	2,198	23	46,372	-	46,395
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	754,868	-	754,868	-	1,511,438	-	1,511,438
Total	11	757,055	-	757,066	23	1,557,810	-	1,557,833
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	51	18,361	-	18,412	66	9,365	-	9,431
Total	51	18,361	-	18,412	66	9,365	-	9,431

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	19	13,123	-	13,142	30	86,858	-	86,888
Financial assets designated at fair value through profit or loss:								
Fixed interest securities	-	1,766,749	-	1,766,749	-	3,143,246	-	3,143,246
Total	19	1,779,872	-	1,779,891	30	3,230,104	-	3,230,134
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	23	33,073	-	33,096	-	3,133	-	3,133
Total	23	33,073	-	33,096	-	3,133	-	3,133

	Vanguard International Shares Index Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	3	23	-	26	-	222	-	222
Financial assets designated at fair value through profit or loss:								
Equity securities	14,231,531	-	-	14,231,531	11,777,030	872	-	11,777,902
Listed unit trusts	323,751	-	-	323,751	-	-	-	-
Total	14,555,285	23	-	14,555,308	11,777,030	1,094	-	11,778,124
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	2	99	-	101	781	305	-	1,086
Total	2	99	-	101	781	305	-	1,086

	Vanguard Global Minimum Volatility Fund							
	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Derivatives	-	145	-	145	-	449	-	449
Financial assets designated at fair value through profit or loss:								
Equity securities	23,173	-	-	23,173	25,141	-	-	25,141
Total	23,173	145	-	23,318	25,141	449	-	25,590
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	2	663	-	665	9	118	-	127
Total	2	663	-	665	9	118	-	127

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Global Value Equity Fund							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equity securities	27,426	19	-	27,445	17,074	-	-	17,074
Total	27,426	19	-	27,445	17,074	-	-	17,074
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	2	-	-	2	9	-	-	9
Total	2	-	-	2	9	-	-	9

	Vanguard International Shares Index Fund (Hedged)							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	26	42,445	-	42,471	8	159,083	-	159,091
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	4,328,286	-	4,328,286	-	3,211,970	-	3,211,970
Fixed interest securities*	-	43,900	-	43,900	-	148,214	-	148,214
Total	26	4,414,631	-	4,414,657	8	3,519,267	-	3,519,275
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	796	108,932	-	109,728	181	53,904	-	54,085
Total	796	108,932	-	109,728	181	53,904	-	54,085

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

	Vanguard International Shares Select Exclusions Index Fund							
	30 June 2018				30 June 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Derivatives	22	12,629	-	12,651	26	30,408	-	30,434
Financial assets designated at fair value through profit or loss:								
Equity securities	1,189,759	-	-	1,189,759	883,120	-	-	883,120
Fixed interest securities*	-	5,864	-	5,864	-	27,683	-	27,683
Total	1,189,781	18,493	-	1,208,274	883,146	58,091	-	941,237
Financial liabilities								
Financial liabilities held for trading:								
Derivatives	158	31,859	-	32,017	316	7,753	-	8,069
Total	158	31,859	-	32,017	316	7,753	-	8,069

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

4 Fair value measurement (continued)

Transfers between levels

The following tables present the transfers between levels during the year ended 30 June 2018:

	Vanguard FTSE Asia ex Japan Shares Index ETF			Vanguard Australian Shares Index Fund			Vanguard Global Value Equity Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30 June 2018									
Transfers between level 1 and 2:									
Equity securities	1,850	(1,850)	-	-	-	-	-	-	-
Transfers between level 2 and 1:									
Equity securities	(51)	51	-	-	-	-	(19)	19	-
30 June 2017									
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.

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	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	
	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Net unrealised gain/(loss) on financial assets held for trading	-	(5)	(5)	7	177	(212)	(3)	3
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss	1,064	4,041	1,300	(934)	(31,875)	(163,525)	(1,146)	(16,970)
Net realised gain/(loss) on financial assets held for trading	(115)	32	(23)	(71)	39	(1,317)	27	35
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	390	202	5,454	3,473	203,484	187,366	14,774	15,746
Total net gains/(losses) on financial instruments held at fair value through profit or loss	1,339	4,270	6,726	2,475	171,825	22,312	13,652	(1,186)

	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000	30 Jun 2018 \$'000	30 Jun 2017 \$'000
Net unrealised gain/(loss) on financial assets held for trading	-	-	1,155	(1,329)	(6)	203	795	(1,691)
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss	4,197	4,658	421,716	(632,963)	(104,727)	43,421	803,949	675,644
Net realised gain/(loss) on financial assets held for trading	4	(4)	(412)	(2,220)	1,013	1,562	2,815	12,219
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	55	109	(80,434)	117,287	41,158	121,160	165,704	121,870
Total net gains/(losses) on financial instruments held at fair value through profit or loss	4,256	4,763	342,025	(519,225)	(62,562)	166,346	973,263	808,042

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial assets held for trading	-	-	-	-	(40,356)	-	(1)	1
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss	17,864	2,954	5,925	5,717	110,756	-	5,677	7,370
Net realised gain/(loss) on financial assets held for trading	-	1	(69)	(23)	(74,096)	-	(57)	29
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	627	3,396	398	573	42,453	-	979	(41)
Total net gains/(losses) on financial instruments held at fair value through profit or loss	18,491	6,351	6,254	6,267	38,757	-	6,598	7,359

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial assets held for trading	(12,075)	3,143	(53,179)	3,276	(103,709)	36,659	790	(1,513)
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss	36,511	15,257	(27,072)	(68,064)	(9,913)	(277,327)	1,298,363	326,804
Net realised gain/(loss) on financial assets held for trading	(2,503)	4,244	31,565	49,098	60,690	147,789	9,135	17,330
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	2,321	174	60,592	52,901	94,176	66,699	457,890	1,062,216
Total net gains/(losses) on financial instruments held at fair value through profit or loss	24,254	22,818	11,906	37,211	41,244	(26,180)	1,766,178	1,404,837

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial assets held for trading	(842)	35	7	(9)	(172,263)	(87,932)	(41,732)	22,365
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss	(179)	1,326	402	1,356	310,730	(11,265)	115,381	32,133
Net realised gain/(loss) on financial assets held for trading	112	511	1	256	(12,771)	293,076	(10,869)	(11,467)
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	2,508	268	1,845	281	192,396	327,020	17,830	1,414
Total net gains/(losses) on financial instruments held at fair value through profit or loss	1,599	2,140	2,255	1,884	318,092	520,899	80,610	44,445

Notes to the financial statements (continued)

For the year ended 30 June 2018

6 Financial assets held at fair value through profit or loss

	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	
	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000
Held for trading								
Derivatives	-	-	3	11	106	9	-	3
Total held for trading	-	-	3	11	106	9	-	3
Designated at fair value through profit or loss								
Equity securities	95,155	27,046	-	-	-	-	-	-
Listed unit trusts	777	244	-	-	-	-	-	-
Fixed interest securities	-	-	279,139	100,078	5,651,910	5,555,229	438,891	491,398
Total designated at fair value through profit or loss	95,932	27,290	279,139	100,078	5,651,910	5,555,229	438,891	491,398
Total financial assets held at fair value through profit or loss	95,932	27,290	279,142	100,089	5,652,016	5,555,238	438,891	491,401
Comprising:								
Derivatives								
Australian interest rate futures	-	-	3	11	106	9	-	3
Total derivatives	-	-	3	11	106	9	-	3
Equity securities								
International equity securities	95,155	27,046	-	-	-	-	-	-
Total equity securities	95,155	27,046	-	-	-	-	-	-
Listed units trusts								
International listed trusts	777	244	-	-	-	-	-	-
Total listed units trusts	777	244	-	-	-	-	-	-
Fixed interest securities								
Australian fixed interest securities	-	-	279,139	100,078	5,651,910	5,555,229	438,891	491,398
Total fixed interest securities	-	-	279,139	100,078	5,651,910	5,555,229	438,891	491,398
Total financial assets held at fair value through profit or loss	95,932	27,290	279,142	100,089	5,652,016	5,555,238	438,891	491,401

Notes to the financial statements (continued)

For the year ended 30 June 2018

6 Financial assets held at fair value through profit or loss (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	
	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000
Held for trading								
Derivatives	-	-	22	-	2	9	-	-
Total held for trading	-	-	22	-	2	9	-	-
Designated at fair value through profit or loss								
Equity securities	76,465	64,308	440,941	52,666	1,766,349	1,579,371	10,835,669	9,062,948
Listed unit trusts	6,478	6,678	4,293,020	4,590,646	203,473	148,046	1,308,825	1,213,052
Total designated at fair value through profit or loss	82,943	70,986	4,733,961	4,643,312	1,969,822	1,727,417	12,144,494	10,276,000
Total financial assets held at fair value through profit or loss	82,943	70,986	4,733,983	4,643,312	1,969,824	1,727,426	12,144,494	10,276,000
Comprising:								
Derivatives								
Australian share price futures	-	-	22	-	2	9	-	-
Total derivatives	-	-	22	-	2	9	-	-
Equity securities								
Australian equity securities	76,465	64,308	440,941	52,666	1,766,349	1,579,371	10,835,669	9,062,948
Total equity securities	76,465	64,308	440,941	52,666	1,766,349	1,579,371	10,835,669	9,062,948
Listed units trusts								
Australian listed trusts	6,478	6,678	4,293,020	4,590,646	203,473	148,046	1,308,825	1,213,052
Total listed units trusts	6,478	6,678	4,293,020	4,590,646	203,473	148,046	1,308,825	1,213,052
Total financial assets held at fair value through profit or loss	82,943	70,986	4,733,983	4,643,312	1,969,824	1,727,426	12,144,494	10,276,000

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

	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	
	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000	30 Jun 2018 Fair value \$'000	30 Jun 2017 Fair value \$'000
Held for trading								
Derivatives	-	-	-	-	15,795	-	-	1
Total held for trading	-	-	-	-	15,795	-	-	1
Designated at fair value through profit or loss								
Equity securities	163,145	80,554	-	-	-	-	-	-
Listed unit trusts	23,614	12,017	191,782	82,400	-	-	203,977	110,152
Fixed interest securities	-	-	-	-	3,088,606	-	-	-
Total designated at fair value through profit or loss	186,759	92,571	191,782	82,400	3,088,606	-	203,977	110,152
Total financial assets held at fair value through profit or loss	186,759	92,571	191,782	82,400	3,104,401	-	203,977	110,153
Comprising:								
Derivatives								
Foreign currency forward contracts	-	-	-	-	15,764	-	-	1
International interest rate futures	-	-	-	-	31	-	-	-
Total derivatives	-	-	-	-	15,795	-	-	1
Equity securities								
Australian equity securities	163,145	80,554	-	-	-	-	-	-
Total equity securities	163,145	80,554	-	-	-	-	-	-
Listed units trusts								
Australian listed trusts	23,614	12,017	-	-	-	-	-	-
International listed trusts	-	-	191,782	82,400	-	-	203,977	110,152
Total listed units trusts	23,614	12,017	191,782	82,400	-	-	203,977	110,152
Fixed interest securities								
Australian fixed interest securities	-	-	-	-	51,567	-	-	-
International fixed interest securities	-	-	-	-	2,913,927	-	-	-
Australian reverse repurchase agreements*	-	-	-	-	123,112	-	-	-
Total fixed interest securities	-	-	-	-	3,088,606	-	-	-
Total financial assets held at fair value through profit or loss	186,759	92,571	191,782	82,400	3,104,401	-	203,977	110,153

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading								
Derivatives	2,024	7,966	2,198	46,395	13,142	86,888	26	222
Total held for trading	2,024	7,966	2,198	46,395	13,142	86,888	26	222
Designated at fair value through profit or loss								
Equity securities	-	-	-	-	-	-	14,231,531	11,777,902
Listed unit trusts	-	-	-	-	-	-	323,751	-
Fixed interest securities	7,594	12,000	754,868	1,511,438	1,766,749	3,143,246	-	-
Unlisted unit trusts	393,680	227,288	-	-	-	-	-	-
Total designated at fair value through profit or loss	401,274	239,288	754,868	1,511,438	1,766,749	3,143,246	14,555,282	11,777,902
Total financial assets held at fair value through profit or loss	403,298	247,254	757,066	1,557,833	1,779,891	3,230,134	14,555,308	11,778,124
Comprising:								
Derivatives								
Foreign currency forward contracts	2,019	7,960	2,187	46,372	13,123	86,858	23	222
International share price futures	5	6	-	-	-	-	3	-
Australian interest rate futures	-	-	1	-	-	-	-	-
International interest rate futures	-	-	10	23	19	30	-	-
Total derivatives	2,024	7,966	2,198	46,395	13,142	86,888	26	222
Equity securities								
International equity securities	-	-	-	-	-	-	14,231,531	11,777,902
Total equity securities	-	-	-	-	-	-	14,231,531	11,777,902
Listed units trusts								
Australian listed trusts	-	-	-	-	-	-	323,751	-
Total listed units trusts	-	-	-	-	-	-	323,751	-
Fixed interest securities								
Australian fixed interest securities	-	-	15,904	28,643	22,146	133,328	-	-
International fixed interest securities	-	-	738,964	1,482,795	1,744,601	2,921,113	-	-
Australian reverse repurchase agreements*	7,594	12,000	-	-	2	88,805	-	-
Total fixed interest securities	7,594	12,000	754,868	1,511,438	1,766,749	3,143,246	-	-
Unlisted unit trusts								
Units in Australian equity trusts	393,680	227,288	-	-	-	-	-	-
Total unlisted unit trusts	393,680	227,288	-	-	-	-	-	-
Total financial assets held at fair value through profit or loss	403,298	247,254	757,066	1,557,833	1,779,891	3,230,134	14,555,308	11,778,124

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading								
Derivatives	145	449	-	-	42,471	159,091	12,651	30,434
Total held for trading	145	449	-	-	42,471	159,091	12,651	30,434
Designated at fair value through profit or loss								
Equity securities	23,173	25,141	27,445	17,074	-	-	1,189,759	883,120
Fixed interest securities	-	-	-	-	43,900	148,215	5,864	27,683
Unlisted unit trusts	-	-	-	-	4,328,286	3,211,969	-	-
Total designated at fair value through profit or loss	23,173	25,141	27,445	17,074	4,372,186	3,360,184	1,195,623	910,803
Total financial assets held at fair value through profit or loss	23,318	25,590	27,445	17,074	4,414,657	3,519,275	1,208,274	941,237
Comprising:								
Derivatives								
Foreign currency forward contracts	145	449	-	-	42,445	159,083	12,629	30,408
International share price futures	-	-	-	-	26	8	22	26
Total derivatives	145	449	-	-	42,471	159,091	12,651	30,434
Equity securities								
Australian equity securities	1,044	1,158	148	115	-	-	-	-
International equity securities	22,129	23,983	27,297	16,959	-	-	1,189,759	883,120
Total equity securities	23,173	25,141	27,445	17,074	-	-	1,189,759	883,120
Fixed interest securities								
Australian reverse repurchase agreement*	-	-	-	-	43,900	125,308	-	-
International reverse repurchase agreement*	-	-	-	-	-	22,907	5,864	27,683
Total fixed interest securities	-	-	-	-	43,900	148,215	5,864	27,683
Unlisted unit trusts								
Units in International equity trusts	-	-	-	-	4,328,286	3,211,969	-	-
Total unlisted unit trusts	-	-	-	-	4,328,286	3,211,969	-	-
Total financial assets held at fair value through profit or loss	23,318	25,590	27,445	17,074	4,414,657	3,519,275	1,208,274	941,237

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

7 Financial liabilities held at fair value through profit or loss

	Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Property Securities Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading						
Derivatives	2	5	51	131	-	1,133
Total held for trading	2	5	51	131	-	1,133
Total financial liabilities held at fair value through profit or loss	2	5	51	131	-	1,133
Comprising:						
Derivatives						
Foreign currency forward contracts	-	-	-	-	-	-
Australian share price futures	-	-	-	-	-	1,133
International share price futures	-	-	-	-	-	-
Australian interest rate futures	2	5	51	131	-	-
Total derivatives	2	5	51	131	-	1,133
Total financial liabilities held at fair value through profit or loss	2	5	51	131	-	1,133

	Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund		Vanguard Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading						
Derivatives	-	-	-	795	56,151	-
Total held for trading	-	-	-	795	56,151	-
Total financial liabilities held at fair value through profit or loss	-	-	-	795	56,151	-
Comprising:						
Derivatives						
Foreign currency forward contracts	-	-	-	-	56,141	-
Australian share price futures	-	-	-	795	-	-
International interest rate futures	-	-	-	-	10	-
Total derivatives	-	-	-	795	56,151	-
Total financial liabilities held at fair value through profit or loss	-	-	-	795	56,151	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

7 Financial liabilities held at fair value through profit or loss (continued)

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading								
Derivatives	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
Total held for trading	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
Total financial liabilities held at fair value through profit or loss	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
Comprising:								
Derivatives								
Foreign currency forward contracts	7,573	1,457	18,361	9,365	33,073	3,133	99	305
International share price futures	98	81	-	-	-	-	2	781
Australian interest rate futures	-	-	2	10	-	-	-	-
International interest rate futures	-	-	49	56	23	-	-	-
Total derivatives	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
Total financial liabilities held at fair value through profit or loss	7,671	1,538	18,412	9,431	33,096	3,133	101	1,086
	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Held for trading								
Derivatives	665	127	2	9	109,728	54,085	32,017	8,069
Total held for trading	665	127	2	9	109,728	54,085	32,017	8,069
Total financial liabilities held at fair value through profit or loss	665	127	2	9	109,728	54,085	32,017	8,069
Comprising:								
Derivatives								
Foreign currency forward contracts	663	118	-	-	108,932	53,904	31,859	7,753
International share price futures	2	9	2	9	796	181	158	316
Total derivatives	665	127	2	9	109,728	54,085	32,017	8,069
Total financial liabilities held at fair value through profit or loss	665	127	2	9	109,728	54,085	32,017	8,069

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

8 Derivative financial instruments

In the normal course of business the Funds enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of a Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivative instruments:

Forward currency contracts

Forward currency contracts are primarily used by the Funds to manage against foreign currency risks on their investments. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period

Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

The Funds' derivative financial instruments at year end are detailed below:

	Vanguard FTSE Asia ex Japan Shares Index ETF					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	1,150	-	-	376	-	-
International share price index futures	(144)	-	-	-	-	-
Total	1,006	-	-	376	-	-

	Vanguard Australian Corporate Fixed Interest Index Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Australian fixed interest futures	(297)	3	2	(1,179)	11	5
Total	(297)	3	2	(1,179)	11	5

	Vanguard Australian Fixed Interest Index Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Australian fixed interest futures	(9,450)	106	51	4,081	9	131
Total	(9,450)	106	51	4,081	9	131

Notes to the financial statements (continued)

For the year ended 30 June 2018

8 Derivative financial instruments (continued)

	Vanguard Australian Government Bond Index Fund					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Australian fixed interest futures	-	-	-	(97)	3	-
Total	-	-	-	(97)	3	-

	Vanguard Australian Property Securities Index Fund					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Australian share price index futures	13,798	22	-	33,147	-	1,133
Total	13,798	22	-	33,147	-	1,133

	Vanguard Australian Shares High Yield Fund					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Australian share price index futures	(1,844)	2	-	10,733	9	-
Total	(1,844)	2	-	10,733	9	-

	Vanguard Australian Shares Index Fund					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Australian share price index futures	-	-	-	88,124	-	795
Total	-	-	-	88,124	-	795

	Vanguard Global Aggregate Bond Index Fund (Hedged)					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Forward currency contracts	(2,807,744)	15,764	56,141	-	-	-
International fixed interest futures	(3,948)	31	10	-	-	-
Total	(2,811,692)	15,795	56,151	-	-	-

	Vanguard FTSE Emerging Markets Shares ETF					
	2018			2017		
	Contract/ Notional \$'000	Fair value Assets Liabilities \$'000		Contract/ Notional \$'000	Fair value Assets Liabilities \$'000	
Forward currency contracts	-	-	-	1,310	1	-
Total	-	-	-	1,310	1	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

8 Derivative financial instruments (continued)

	Vanguard MSCI Index International Shares (Hedged) ETF					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	392,927	2,019	7,573	(239,273)	7,960	1,457
International share price index futures	8,224	5	98	7,263	6	81
Total	401,151	2,024	7,671	(232,010)	7,966	1,538

	Vanguard International Credit Securities Index Fund (Hedged)					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	(753,948)	2,187	18,361	(1,519,591)	46,372	9,365
Australian fixed interest futures	295	1	2	1,470	-	10
International fixed interest futures	2,198	10	49	25,444	23	56
Total	(751,455)	2,198	18,412	(1,492,677)	46,395	9,431

	Vanguard International Fixed Interest Index Fund (Hedged)					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	1,737,854	13,123	33,073	(3,045,778)	86,858	3,133
International fixed interest futures	3,677	19	23	(4,305)	30	-
Total	1,741,531	13,142	33,096	(3,050,083)	86,888	3,133

	Vanguard International Shares Index Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	207,598	23	99	(91,708)	222	305
International share price index futures	(10,410)	3	2	139,169	-	781
Total	197,188	26	101	47,461	222	1,086

	Vanguard Global Minimum Volatility Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	21,785	145	663	(24,377)	449	118
International share price index futures	268	-	2	362	-	9
Total	22,053	145	665	(24,015)	449	127

Notes to the financial statements (continued)

For the year ended 30 June 2018

8 Derivative financial instruments (continued)

	Vanguard Global Value Equity Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
International share price index futures	107	-	2	255	-	9
Total	107	-	2	255	-	9

	Vanguard International Shares Index Fund (Hedged)					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	(3,990,310)	42,445	108,932	(3,138,808)	159,083	53,904
International share price index futures	62,169	26	796	19,900	8	181
Total	(3,928,141)	42,471	109,728	(3,118,908)	159,091	54,085

	Vanguard International Shares Select Exclusions Index Fund					
	2018			2017		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
	\$'000	Assets \$'000	Liabilities \$'000	\$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	(12,671)	12,629	31,859	6,658	30,408	7,753
International share price index futures	22,254	22	158	32,481	26	316
Total	9,583	12,651	32,017	39,139	30,434	8,069

Risk exposures and fair value measurements

Information about the Funds' exposure to credit risk, foreign exchange risk, and interest rate risk and about the methods and assumptions used in determining fair values is provided in note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

9 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 Funds' Constitution 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 (except Vanguard Global Minimum Volatility Fund), 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. Vanguard Global Minimum Volatility Fund lost its AMIT status as of 3 April 2018, and as a result, the units in this Fund are classified as a liability as at 30 June 2018.

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

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

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard MSCI Australian Large Companies Index ETF			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	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	1,025	5	67,418	264	120	120	7,321	7,123
Redemptions	-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions	3	1	173	60	3	2	174	136
Increase/(decrease) in net assets attributable to unitholders	-	-	-	4,017	-	-	-	4,898
Distributions paid and payable	-	-	(1,913)	-	-	-	(3,403)	-
Profit/(loss) for the year	-	-	2,812	-	-	-	7,809	-
Closing balance as at 30 June*	1,494	466	95,816	27,326	1,312	1,189	83,034	71,133

	Vanguard MSCI Australian Small Companies Index ETF				Vanguard FTSE Europe Shares ETF			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	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	1,380	680	75,049	33,339	1,910	1,605	102,802	77,188
Redemptions	-	(480)	-	(23,339)	-	(125)	-	(6,511)
Units issued upon reinvestment of distributions	10	5	510	255	1	-	71	12
Increase/(decrease) in net assets attributable to unitholders	-	-	-	4,786	-	-	-	6,285
Distributions paid and payable	-	-	(3,244)	-	-	-	(4,461)	-
Profit/(loss) for the year	-	-	22,468	-	-	-	10,792	-
Closing balance as at 30 June*	3,266	1,876	186,795	92,012	3,511	1,600	191,578	82,374

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

	Vanguard FTSE Emerging Markets Shares ETF				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	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	1,435	885	93,591	51,551	2,670	2,100	168,906	121,219
Redemptions	(100)	-	(6,785)	-	(405)	-	(25,944)	-
Units issued upon reinvestment of distributions	3	2	215	103	24	3	1,446	142
Increase/(decrease) in net assets attributable to unitholders	-	-	-	7,368	-	-	-	18,644
Distributions paid and payable	-	-	(2,991)	-	-	-	(7,924)	-
Profit/(loss) for the year	-	-	9,593	-	-	-	33,485	-
Closing balance as at 30 June*	3,197	1,859	204,056	110,433	6,282	3,993	407,156	237,187

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further details.

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	61,950	72,082	63,324	74,206	750	80	37,346	3,985
Applications	110,490	25,250	114,702	26,128	1,750	670	87,676	33,518
Redemptions	(24,451)	(35,564)	(25,277)	(36,604)	-	-	-	-
Units issued upon reinvestment of distributions	184	182	191	188	1	-	51	18
Increase/(decrease) in net assets attributable to unitholders	-	-	615	(594)	-	-	291	(175)
Closing balance as at 30 June	148,173	61,950	153,555	63,324	2,501	750	125,364	37,346

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	4,359,546	3,439,691	4,874,234	3,961,041	13,192	8,370	641,795	418,496
Applications	1,018,799	1,420,565	1,140,965	1,606,722	1,350	4,800	65,614	238,441
Redemptions	(1,038,617)	(578,674)	(1,163,494)	(657,605)	(150)	-	(7,237)	-
Units issued upon reinvestment of distributions	68,961	77,965	77,012	88,659	22	22	1,061	1,091
Increase/(decrease) in net assets attributable to unitholders	-	-	(599)	(124,583)	-	-	(1,782)	(16,233)
Closing balance as at 30 June	4,408,689	4,359,547	4,928,118	4,874,234	14,414	13,192	699,451	641,795

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	344,288	283,730	356,946	303,884	2,680	2,025	131,343	102,316
Applications	34,569	116,746	35,723	122,335	240	750	11,733	37,635
Redemptions	(88,001)	(57,071)	(91,054)	(60,034)	(140)	(100)	(6,877)	(4,904)
Units issued upon reinvestment of distributions	1,072	883	1,110	928	8	5	382	245
Increase/(decrease) in net assets attributable to unitholders	-	-	(39)	(10,167)	-	-	(281)	(3,949)
Closing balance as at 30 June	291,928	344,288	302,686	356,946	2,788	2,680	136,300	131,343

	Vanguard Australian Property Securities Index Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	4,093,080	4,035,369	3,795,957	4,134,249	11,578	8,026	878,264	677,154
Applications	734,896	1,173,960	705,390	1,164,390	2,500	3,580	197,756	285,303
Redemptions	(1,097,273)	(1,204,458)	(1,045,219)	(1,177,251)	(1,380)	(80)	(110,316)	(6,869)
Units issued upon reinvestment of distributions	145,346	88,209	137,927	87,787	124	52	9,752	4,218
Increase/(decrease) in net assets attributable to unitholders	-	-	135,374	(413,218)	-	-	43,880	(81,542)
Closing balance as at 30 June	3,876,049	4,093,080	3,729,429	3,795,957	12,822	11,578	1,019,336	878,264

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

	Vanguard Australian Shares High Yield Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	583,232	582,203	900,684	828,935	13,671	11,155	829,110	620,910
Applications	105,940	82,557	164,380	125,970	4,320	2,440	261,374	146,867
Redemptions	(80,181)	(95,202)	(123,149)	(144,763)	-	-	-	-
Units issued upon reinvestment of distributions	19,179	13,674	29,225	20,473	115	76	6,857	4,439
Increase/(decrease) in net assets attributable to unitholders	-	-	(53,482)	70,069	-	-	(60,263)	56,894
Closing balance as at 30 June	628,170	583,232	917,658	900,684	18,106	13,671	1,037,078	829,110

	Vanguard Australian Shares Index Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	4,048,577	3,876,164	8,369,203	7,408,314	26,773	23,108	1,921,139	1,530,810
Applications	804,971	877,014	1,717,368	1,800,356	10,820	8,520	804,421	602,848
Redemptions	(810,614)	(810,961)	(1,755,165)	(1,643,909)	(2,220)	(4,980)	(171,801)	(349,095)
Units issued upon reinvestment of distributions	131,135	106,360	273,072	213,655	159	125	11,797	8,872
Increase/(decrease) in net assets attributable to unitholders	-	-	682,468	590,787	-	-	231,198	127,704
Closing balance as at 30 June	4,174,069	4,048,577	9,286,946	8,369,203	35,532	26,773	2,796,754	1,921,139

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	-	-	-	-	-	-	-	-
Applications	3,032,838	-	3,037,895	-	345	-	17,214	-
Redemptions	(123,608)	-	(123,827)	-	-	-	-	-
Units issued upon reinvestment of distributions	38,552	-	38,653	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(12,809)	-	-	-	(30)	-
Closing balance as at 30 June	2,947,782	-	2,939,912	-	345	-	17,184	-

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,195,748	953,031	1,406,816	1,169,618	2,051	220	102,142	11,203
Applications	125,901	371,412	147,503	457,033	635	1,830	31,110	93,303
Redemptions	(769,012)	(198,060)	(906,385)	(242,943)	(600)	-	(28,794)	-
Units issued upon reinvestment of distributions	28,740	69,365	33,818	83,850	5	1	258	52
Increase/(decrease) in net assets attributable to unitholders	-	-	(24,651)	(60,742)	-	-	(7,373)	(2,416)
Closing balance as at 30 June	581,377	1,195,748	657,101	1,406,816	2,091	2,051	97,343	102,142

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	2,487,418	2,017,890	2,961,899	2,610,699	2,098	350	103,393	18,550
Applications	331,081	730,604	392,754	916,031	2,125	1,745	102,876	89,327
Redemptions	(1,499,530)	(379,849)	(1,783,148)	(480,402)	(170)	-	(8,174)	-
Units issued upon reinvestment of distributions	40,276	118,773	47,804	144,569	5	3	250	143
Increase/(decrease) in net assets attributable to unitholders	-	-	(17,444)	(228,998)	-	-	(4,243)	(4,627)
Closing balance as at 30 June	1,359,245	2,487,418	1,601,865	2,961,899	4,058	2,098	194,102	103,393

	Vanguard International Shares Index Fund					
	Wholesale Class Units		ETF Class Units		B Class Units	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	No. '000	No. '000	No. '000	No. '000
Balance as at 1 July	5,529,517	6,365,990	8,753	4,045	3,756	1,666
Applications	1,591,876	1,610,128	7,035	4,685	2,218	2,060
Redemptions	(1,459,360)	(2,622,529)	-	-	(312)	(60)
Units issued upon reinvestment of distributions	280,713	175,928	28	23	122	90
Closing balance as at 30 June	5,942,746	5,529,517	15,816	8,753	5,784	3,756

	Vanguard International Shares Index Fund					
	Wholesale Class Units		ETF Class Units		B Class Units	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July	10,762,500	11,500,833	527,943	222,628	224,514	91,434
Applications	3,234,263	3,069,436	453,664	277,557	140,771	119,774
Redemptions	(3,077,822)	(5,015,629)	-	-	(20,447)	(3,569)
Units issued upon reinvestment of distributions	553,341	326,150	1,758	1,274	7,615	5,045
Increase/(decrease) in net assets attributable to unitholders	1,395,567	881,710	99,973	26,484	41,399	11,830
Closing balance as at 30 June	12,867,849	10,762,500	1,083,338	527,943	393,852	224,514

*The Vanguard International Shares Index Fund ("VISIF") offers four classes of units, Ordinary Units, Class R Units, ETF Class Units and Class B Units. Until 21 December 2004, Class R Units were issued on the basis that all distributions were compulsorily reinvested in further Class R Units (unless the Responsible Entity elects to pay a cash distribution). The ETF Class Units commenced on 18 November 2014 and are traded on the Australian Securities Exchange. The Class B Units commenced on 18 November 2014 and represents Vanguard Global Share Index Fund's (Hedged) holdings in VISIF. All units in VISIF are denominated in AUD and are of equal value.

	Vanguard Global Minimum Volatility Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	21,806	19,982	24,783	21,173	-	-	-	-
Applications	15,354	2,174	17,830	2,560	40	-	2,020	-
Redemptions	(20,917)	(784)	(24,191)	(866)	-	-	-	-
Units issued upon reinvestment of distributions	1,662	434	1,908	460	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	1,252	1,456	-	-	50	-
Closing balance as at 30 June	17,905	21,806	21,582	24,783	40	-	2,070	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

	Vanguard Global Value Equity Fund							
	Wholesale Class Units				ETF Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	15,059	-	16,715	-	-	-	-	-
Applications	2,796	14,996	3,352	15,252	120	-	6,249	-
Redemptions	(1,368)	-	(1,570)	-	-	-	-	-
Units issued upon reinvestment of distributions	1,057	63	1,205	72	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	695	1,391	-	-	(259)	-
Closing balance as at 30 June	17,544	15,059	20,397	16,715	120	-	5,990	-

	Vanguard International Shares Index Fund (Hedged)							
	AUD Class Units				NZD Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	3,619,494	3,488,446	2,803,004	2,696,259	268,012	1,318,740	339,172	1,585,336
Applications	2,135,968	862,186	1,707,525	734,314	5,880	118,350	7,796	148,791
Redemptions	(1,162,945)	(1,037,469)	(962,587)	(901,944)	(21,154)	(1,196,152)	(28,284)	(1,520,198)
Units issued upon reinvestment of distributions	407,961	306,331	319,956	246,410	24,432	27,074	31,054	33,279
Increase/(decrease) in net assets attributable to unitholders	-	-	150,573	27,965	-	-	43,785	91,964
Closing balance as at 30 June	5,000,478	3,619,494	4,018,471	2,803,004	277,170	268,012	393,523	339,172

	Vanguard International Shares Select Exclusions Index Fund							
	AUD Unhedged Class Units		AUD Hedged Class Units		NZD Hedged Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	No. '000	No. '000	No. '000	No. '000	No. '000	No. '000	No. '000	No. '000
Balance as at 1 July		242,574	-	-	-	-	640,280	-
Applications		145,710	286,258	20,964	-	-	332,023	670,902
Redemptions		(198,101)	(44,410)	(23)	-	-	(102,948)	(30,622)
Units issued upon reinvestment of distributions		4,574	726	71	-	-	10,096	-
Closing balance as at 30 June		194,757	242,574	21,012	-	-	879,451	640,280

	Vanguard International Shares Select Exclusions Index Fund							
	AUD Unhedged Class Units		AUD Hedged Class Units		NZD Hedged Class Units			
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July		246,912	-	-	-	-	670,234	-
Applications		163,647	291,926	21,009	-	-	354,746	655,507
Redemptions		(225,006)	(46,636)	(24)	-	-	(111,626)	(34,418)
Units issued upon reinvestment of distributions		4,997	745	70	-	-	10,824	-
Increase/(decrease) in net assets attributable to unitholders		21,526	877	(1,441)	-	-	47,658	49,145
Closing balance as at 30 June		212,076	246,912	19,614	-	-	971,836	670,234

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard 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 no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Net assets attributable to unitholders (continued)

Capital risk management

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

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

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

10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard MSCI Australian Large Companies Index ETF			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	395	69.0460	309	67.3088	1,459	119.0940	1,075	97.4615
- 31 December	165	20.7443	46	9.9793	764	58.2887	850	76.7791
- 31 March	68	6.5070	22	4.7513	777	59.2029	476	41.4455
Distributions payable								
- 30 June	1,285	85.2253	420	89.8775	403	30.3531	407	33.7841
	1,913	181.5226	797	171.9169	3,403	266.9387	2,808	249.4702
	Vanguard MSCI Australian Small Companies Index ETF				Vanguard FTSE Europe Shares ETF			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	-	-	331	15.4419	25	18.6202
- 31 December	1,402	57.3724	1,056	72.7246	641	24.8699	23	22.6752
- 31 March	-	-	-	-	562	18.8341	322	24.0987
Distributions payable								
- 30 June	1,842	55.3468	2,724	144.2925	2,927	83.1389	917	57.2474
	3,244	112.7192	3,780	217.0171	4,461	142.2848	1,287	122.6415
	Vanguard FTSE Emerging Markets Shares ETF				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,254	55.5631	551	49.7400	-	-	-	-
- 31 December	638	23.5353	225	18.3537	3,539	61.3852	-	-
- 31 March	163	5.3592	66	4.8857	-	-	-	-
Distributions payable								
- 30 June	936	28.2836	504	26.3310	4,385	68.7055	10,197	254.9136
	2,991	112.7412	1,346	99.3104	7,924	130.0907	10,197	254.9136

Notes to the financial statements (continued)

For the year ended 30 June 2018

10 Distributions to unitholders paid and payable (continued)

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	477	0.5262	519	0.6888	313	25.3446	120	35.3233
- 31 December	722	0.6912	492	0.6584	549	33.0864	163	32.5834
- 31 March	899	0.6848	581	0.9304	627	31.7286	262	46.0940
Distributions payable								
- 30 June	1,036	0.6995	553	0.8933	843	33.6017	334	44.3138
	3,134	2.6017	2,145	3.1709	2,332	123.7613	879	158.3145

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	28,081	0.6515	33,968	0.9501	4,001	28.9810	4,566	42.0836
- 31 December	41,737	0.9607	32,842	0.8772	5,913	42.5302	4,539	38.4976
- 31 March	34,337	0.7754	31,794	0.7553	4,907	34.1368	4,134	33.0657
Distributions payable								
- 30 June	37,098	0.8415	35,512	0.8146	5,299	36.4532	4,766	35.9191
	141,253	3.2291	134,116	3.3972	20,120	142.1012	18,005	149.5660

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,763	0.5206	1,767	0.5898	705	25.7579	715	29.1949
- 31 December	2,468	0.7344	2,150	0.7347	973	35.4627	919	35.7155
- 31 March	2,910	0.9945	2,018	0.6102	1,337	48.0387	808	29.5319
Distributions payable								
- 30 June	1,747	0.5984	2,465	0.7159	849	29.9973	947	34.9690
	8,888	2.8479	8,400	2.6506	3,864	139.2566	3,389	129.4113

	Vanguard Australian Property Securities Index Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	21,621	0.5541	28,502	0.6980	5,442	44.9916	4,914	57.6054
- 31 December	10,872	0.2783	55,271	1.4072	1,970	15.5321	11,511	116.1108
- 31 March	52,360	1.3675	43,872	1.0852	14,423	114.9825	9,571	89.5042
- 5 June (Special)	208,382	5.4509	-	-	56,596	448.9372	-	-
Distributions payable								
- 30 June	19,665	0.5073	46,606	1.1387	6,918	52.6771	7,685	65.5181
	312,900	8.1581	174,251	4.3291	85,349	677.1205	33,681	328.7385

Notes to the financial statements (continued)

For the year ended 30 June 2018

10 Distributions to unitholders paid and payable (continued)

	Vanguard Australian Shares High Yield Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	19,876	3.2799	16,339	2.8107	19,818	129.8604	13,114	112.1813
- 31 December	12,658	2.0440	16,361	2.8205	11,079	66.6263	13,469	112.1223
- 31 March	15,592	2.4697	7,870	1.3573	17,321	97.8598	6,781	54.9961
Distributions payable								
- 30 June	28,780	4.5815	24,968	4.2809	32,458	178.9028	23,129	168.7800
	76,906	12.3751	65,538	11.2694	80,676	473.2493	56,493	448.0797

	Vanguard Australian Shares Index Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	132,671	3.2108	113,224	2.8985	33,184	100.8811	24,798	102.0137
- 31 December	82,279	1.9227	100,634	2.6366	23,240	68.0989	23,716	92.7798
- 31 March	82,705	1.8763	58,568	1.5276	22,675	66.5256	13,087	54.0283
Distributions payable								
- 30 June	121,026	2.8995	146,180	3.6107	36,437	101.7294	12,318	45.2866
	418,681	9.9093	418,606	10.6734	115,536	337.2350	73,919	294.1084

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	16,215	0.7202	-	-	-	-	-	-
- 31 December	9,654	0.3662	-	-	17	18.5328	-	-
- 31 March	12,790	0.4612	-	-	27	17.1956	-	-
Distributions payable								
- 30 June	6,999	0.2374	-	-	37	10.6594	-	-
	45,658	1.7850	-	-	81	46.3878	-	-

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	13,279	2.2337	-	-	3,320	130.6183	-	-
- 31 December	5,274	0.9341	-	-	890	39.5875	-	-
- 31 March	4,231	0.7609	55,943	5.0659	768	31.6905	3,464	216.6059
Distributions payable								
- 30 June	11,944	2.0544	34,288	2.8675	1,793	85.5341	2,385	116.1793
	34,728	5.9831	90,231	7.9334	6,771	287.4304	5,849	332.7852

Notes to the financial statements (continued)

For the year ended 30 June 2018

10 Distributions to unitholders paid and payable (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	27,413	1.9976	-	-	3,470	110.9713	-	-
- 31 December	8,464	0.6450	-	-	809	25.3602	-	-
- 31 March	6,784	0.5230	154,840	6.9495	758	21.5961	4,484	289.4645
Distributions payable								
- 30 June	9,383	0.6903	39,209	1.5763	1,317	32.3337	1,371	65.2296
	52,044	3.8559	194,049	8.5258	6,354	190.2613	5,855	354.6941

	Vanguard International Shares Index Fund											
	Wholesale Class units				ETF Class units				B Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid												
- 30 September	48,253	0.7780	56,746	0.8221	2,532	23.7575	1,180	24.9066	1,127	23.1929	509	24.9623
- 31 December	74,559	1.1935	67,110	1.1623	3,801	30.3604	2,052	35.5383	1,608	29.7043	901	35.3468
- 31 March	43,394	0.6791	48,744	0.8630	3,006	20.9675	1,831	26.5001	1,209	21.0695	867	26.3982
Distributions payable												
- 30 June	302,265	5.0863	550,909	9.9631	14,481	90.8573	8,677	98.5136	5,259	90.9168	3,670	97.6911
	468,471	7.7369	723,509	12.8105	23,820	165.9427	13,740	185.4586	9,203	164.8835	5,947	184.3984

	Vanguard Global Minimum Volatility Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	373	1.5616	-	-	-	-	-	-
- 31 December	158	0.6300	-	-	-	-	-	-
- 31 March	300	1.1500	-	-	-	-	-	-
Distributions payable								
- 30 June	-	-	1,127	5.1684	-	-	-	-
	831	3.3416	1,127	5.1684	-	-	-	-

	Vanguard Global Value Equity Fund							
	Wholesale Class units				ETF Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	69	0.4696	-	-	-	-	-	-
- 31 December	227	1.4429	33	0.2572	-	-	-	-
- 31 March	281	1.6847	38	0.2570	-	-	-	-
Distributions payable								
- 30 June	1,288	7.3422	645	4.2804	296	246.8478	-	-
	1,865	10.9394	716	4.7946	296	246.8478	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

10 Distributions to unitholders paid and payable (continued)

	Vanguard International Shares Index Fund (Hedged)							
	AUD Class units				NZD Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	69,577	1.3470	-	-	3,057	1.0533	-	-
- 31 December	48,788	0.9197	-	-	-	-	-	-
- 31 March	25,672	0.4766	158,241	4.2575	4,674	1.6345	8,741	3.0571
Distributions payable								
- 30 June	125,054	2.5008	412,305	11.3912	5,671	2.0458	40,723	15.1943
	269,091	5.2441	570,546	15.6487	13,402	4.7336	49,464	18.2514

	Vanguard International Shares Select Exclusions Index Fund											
	AUD Unhedged Class units				AUD Hedged Class units				NZD Hedged Class units			
	30 June 2018		30 June 2017		30 June 2018		30 June 2017		30 June 2018		30 June 2017	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid												
- 30 September	960	0.4230	-	-	-	-	-	-	3,115	0.4392	-	-
- 31 December	2,097	0.9233	-	-	75	0.5024	-	-	-	-	-	-
- 31 March	992	0.3548	795	0.3654	54	0.3123	-	-	10,814	1.3205	-	-
Distributions payable												
- 30 June	6,326	3.2480	2,425	0.9996	127	0.6046	-	-	8,170	0.9290	-	-
	10,375	4.9491	3,220	1.3650	256	1.4193	-	-	22,099	2.6887	-	-

11 Cash and cash equivalents

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	28	9	1,977	2,562	2,525	53,787	(250)	544
Foreign cash at bank	672	191	-	-	-	-	-	-
Total cash and cash equivalents	700	200	1,977	2,562	2,525	53,787	(250)	544

	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	(580)	(513)	8,286	32,058	4,583	28,695	46,808	85,627
Total cash and cash equivalents	(580)	(513)	8,286	32,058	4,583	28,695	46,808	85,627

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	360	401	64	106	(11,114)	-	4	1,224
Foreign cash at bank	-	-	102	1,114	59,591	-	214	1,342
Total cash and cash equivalents	360	401	166	1,220	48,477	-	218	2,566

Notes to the financial statements (continued)

For the year ended 30 June 2018

11 Cash and cash equivalents (continued)

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	2,255	1,273	2,497	2,479	(6)	5,794	8,052	64,404
Foreign cash at bank	1,556	881	18,541	20,333	4,972	13,524	181,495	217,900
Total cash and cash equivalents	3,811	2,154	21,038	22,812	4,966	19,318	189,547	282,304

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	130	196	115	138	75,425	1,267	828	2,502
Foreign cash at bank	38	49	19	109	5,520	12,174	13,935	19,343
Total cash and cash equivalents	168	245	134	247	80,945	13,441	14,763	21,845

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

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

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

Profit/(loss) for the year	2,812	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	4,017	906	(769)	(2,381)	(140,816)	(320)	(14,116)
Distribution to unitholders	-	797	5,466	3,024	161,373	152,121	12,752	11,789
Proceeds from sale of financial instruments held at fair value through profit or loss	3,898	1,278	58,351	50,918	1,522,010	879,707	165,617	94,379
Purchases of financial instruments held at fair value through profit or loss	(71,176)	(1,494)	(231,994)	(68,910)	(1,568,646)	(1,911,079)	(102,887)	(182,499)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(1,339)	(4,270)	(6,726)	(2,475)	(171,825)	(22,312)	(13,652)	1,186
Net change in receivables	(285)	30	(27)	(2)	37	(44)	3	(4)
Net change in payables	28	2	41	4	27	220	(14)	22
Non-cash items	(70)	(61)	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	(66,132)	299	(173,983)	(18,210)	(59,405)	(1,042,203)	61,499	(89,243)

(b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	173	60	242	206	78,073	88,750	1,492	1,173
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Notes to the financial statements (continued)

For the year ended 30 June 2018

12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	7,809	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	4,898	179,254	(494,760)	(113,745)	126,963	913,666	718,491
Distribution to unitholders	-	2,808	398,249	207,932	157,582	122,031	534,217	492,525
Proceeds from sale of financial instruments held at fair value through profit or loss	5,093	3,232	1,273,243	640,374	872,614	915,606	1,233,701	1,188,680
Purchases of financial instruments held at fair value through profit or loss	(12,538)	(10,580)	(941,811)	(996,767)	(1,198,179)	(1,057,782)	(2,196,354)	(1,778,410)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(4,256)	(4,763)	(342,025)	519,225	62,562	(166,346)	(973,263)	(808,042)
Net change in receivables	(109)	(67)	(1,645)	(10,352)	(4,227)	228	(11,025)	(5,034)
Net change in payables	34	1	332	(6)	1,350	52	488	182
Non-cash items	(188)	-	(5,103)	-	-	-	(46,726)	-
Net cash inflow/(outflow) from operating activities	(4,155)	(4,471)	560,494	(134,354)	(222,043)	(59,248)	(545,296)	(191,608)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	174	136	147,679	92,005	36,082	24,912	284,869	222,527

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	22,468	-	10,792	-	-	-	9,593	-
Increase/(decrease) in net assets attributable to unitholders	-	4,786	-	6,285	(12,839)	-	-	7,368
Distribution to unitholders	-	3,780	-	1,287	45,739	-	-	1,346
Proceeds from sale of financial instruments held at fair value through profit or loss	23,491	36,462	2,621	6,802	3,372,943	-	7,680	970
Purchases of financial instruments held at fair value through profit or loss	(98,736)	(46,182)	(109,242)	(76,623)	(6,289,519)	-	(98,183)	(49,786)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(18,491)	(6,351)	(6,254)	(6,267)	(38,757)	-	(6,598)	(7,359)
Net change in receivables	(229)	(19)	(6)	(4)	(550)	-	(9)	(4)
Net change in payables	23	4	27	15	588	-	36	15
Non-cash items	-	-	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	(71,474)	(7,520)	(102,062)	(68,505)	(2,922,395)	-	(87,481)	(47,450)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	510	255	71	12	38,653	-	215	103

^Covers the period from 12 April 2017 to 30 June 2018.

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	33,485	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	18,644	(32,024)	(63,158)	(21,687)	(233,625)	1,536,939	920,024
Distribution to unitholders	-	10,197	41,499	96,080	58,398	199,904	501,494	743,196
Proceeds from sale of financial instruments held at fair value through profit or loss	18,470	10,454	1,191,030	844,608	1,922,251	801,525	1,638,637	3,982,216
Purchases of financial instruments held at fair value through profit or loss	(148,365)	(132,924)	(407,956)	(1,098,507)	(604,868)	(1,255,235)	(2,656,710)	(2,490,201)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(24,254)	(22,818)	(11,906)	(37,211)	(41,244)	26,180	(1,766,178)	(1,404,837)
Net change in receivables	(1,590)	(900)	117	70	145	107	(7,951)	(3,218)
Net change in payables	26	9	1,264	62	987	193	451	43
Non-cash items	(7,615)	(5,047)	-	-	-	-	(2,911)	(13,119)
Net cash inflow/(outflow) from operating activities	(129,843)	(122,385)	782,024	(258,056)	1,313,982	(460,951)	(756,229)	1,734,104
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1,446	142	34,076	83,902	48,054	144,712	562,714	332,469

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	1,302	1,456	436	1,391	194,358	119,929	67,743	50,022
Distribution to unitholders	831	1,127	2,161	716	282,493	620,010	32,730	3,220
Proceeds from sale of financial instruments held at fair value through profit or loss	18,792	10,093	15,164	5,770	771,771	2,580,027	206,502	53,444
Purchases of financial instruments held at fair value through profit or loss	(15,295)	(11,860)	(23,614)	(20,699)	(1,197,723)	(866,463)	(432,374)	(902,300)
Net gains/(losses) on financial instruments held at fair value through profit or loss	(1,599)	(2,140)	(2,255)	(1,884)	(318,092)	(520,899)	(80,610)	(44,445)
Net change in receivables	(10)	(3)	(30)	(29)	62,884	(79,523)	1,763	(1,366)
Net change in payables	-	(1)	2	5	800	(54)	1,251	198
Non-cash items	-	(10)	(2)	(13)	(223,263)	(142,072)	(228)	(408)
Net cash inflow/(outflow) from operating activities	4,021	(1,338)	(8,138)	(14,743)	(426,772)	1,710,955	(203,223)	(841,635)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1,908	460	1,205	72	351,010	279,689	15,891	745

Notes to the financial statements (continued)

For the year ended 30 June 2018

13 Remuneration of auditors

The auditor's remuneration is borne by the Responsible Entity. During the year, the following fees were paid or payable for services provided by the auditor of the Funds.

	Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Australian Property Securities Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers								
Audit and other assurance services								
Audit and review of financial statements	18,500	20,500	21,000	21,000	21,000	21,000	19,000	19,000
Audit of compliance plan, specified assertions report and internal controls report	7,412	7,979	7,412	7,979	7,412	7,979	7,412	7,979
Total remuneration for audit and other assurance services	25,912	28,479	28,412	28,979	28,412	28,979	26,412	26,979
Taxation services								
Tax compliance services	9,597	9,950	9,597	9,950	9,597	9,950	9,597	9,950
Total remuneration for taxation services	9,597	9,950	9,597	9,950	9,597	9,950	9,597	9,950
Total remuneration of PricewaterhouseCoopers	35,509	38,429	38,009	38,929	38,009	38,929	36,009	36,929
	Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund		Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers								
Audit and other assurance services								
Audit and review of financial statements	19,000	19,000	19,000	19,000	29,000	-	26,000	26,000
Audit of compliance plan, specified assertions report and internal controls report	7,412	7,979	7,412	7,979	7,412	-	7,412	7,979
Total remuneration for audit and other assurance services	26,412	26,979	26,412	26,979	36,412	-	33,412	33,979
Taxation services								
Tax compliance services	9,597	9,950	9,597	9,950	9,597	-	9,597	9,950
Total remuneration for taxation services	9,597	9,950	9,597	9,950	9,597	-	9,597	9,950
Total remuneration of PricewaterhouseCoopers	36,009	36,929	36,009	36,929	46,009	-	43,009	43,929

Notes to the financial statements (continued)

For the year ended 30 June 2018

13 Remuneration of auditors (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)		Vanguard International Shares Index Fund		Vanguard International Shares Index Fund (Hedged)	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	30,000	30,000	24,500	24,500	28,000	28,000
Audit of compliance plan, specified assertions report and internal controls report	7,412	7,979	7,412	7,979	7,412	7,979
Total remuneration for audit and other assurance services	37,412	37,979	31,912	32,479	35,412	35,979
Taxation services						
Tax compliance services	9,597	9,950	10,367	9,950	10,367	8,835
Total remuneration for taxation services	9,597	9,950	10,367	9,950	10,367	8,835
Total remuneration of PricewaterhouseCoopers	47,009	47,929	42,279	42,429	45,779	44,814

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard MSCI Australian Large Companies Index ETF		Vanguard MSCI Australian Small Companies Index ETF	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	20,500	20,500	18,000	18,000	18,000	18,000
Audit of compliance plan and specified assertions report	3,433	3,329	3,433	3,329	3,433	3,329
Total remuneration for audit and other assurance services	23,933	23,829	21,433	21,329	21,433	21,329
Taxation services						
Tax compliance services	7,982	9,950	9,597	9,950	9,597	9,950
Total remuneration for taxation services	7,982	9,950	9,597	9,950	9,597	9,950
Total remuneration of PricewaterhouseCoopers	31,915	33,779	31,030	31,279	31,030	31,279

	Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF		Vanguard MSCI Index International Shares (Hedged) ETF	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	20,500	20,500	20,500	20,500	23,000	23,000
Audit of compliance plan and specified assertions report	3,433	3,329	3,433	3,329	3,433	3,329
Total remuneration for audit and other assurance services	23,933	23,829	23,933	23,829	26,433	26,329
Taxation services						
Tax compliance services	7,982	9,950	9,597	9,950	7,982	8,835
Total remuneration for taxation services	7,982	9,950	9,597	9,950	7,982	8,835
Total remuneration of PricewaterhouseCoopers	31,915	33,779	33,530	33,779	34,415	35,164

Notes to the financial statements (continued)

For the year ended 30 June 2018

13 Remuneration of auditors (continued)

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers						
Audit and other assurance services						
Audit of financial statements	15,500	15,500	15,500	15,500	17,000	17,000
Audit of compliance plan, specified assertions report and internal controls report	7,412	7,979	7,412	7,979	7,412	7,979
Total remuneration for audit and other assurance services	22,912	23,479	22,912	23,479	24,412	24,979
Taxation services						
Tax compliance services	9,597	9,950	9,597	9,950	17,597	9,950
Total remuneration for taxation services	9,597	9,950	9,597	9,950	17,597	9,950
Total remuneration of PricewaterhouseCoopers	32,509	33,429	32,509	33,429	42,009	34,929

14 Related party transactions

Responsible Entity

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

Key management personnel

Key management personnel includes persons who were directors of Responsible Entity at any time during the financial year as follows:

J M Norris

G W Reed (Resigned 31 July 2017)

C R Comegys (Resigned 31 August 2017)

C Kelton (Resigned 4 September 2018)

L Carr

C Lui (Appointed 31 August 2017)

J Platt (Appointed 31 October 2017)

No other person had authority and responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial year.

Transactions with key management personnel

Key management personnel services are provided by Vanguard Investments Australia Ltd and included in the management fees. There is no separate charge for these services. There was no compensation paid directly by the Funds to any of the key management personnel.

Key management personnel unitholdings

The key management personnel of Vanguard Investments Australia Ltd (VIA) did not hold any units in the Funds during the financial year ended 30 June 2018.

Key management personnel remuneration

Key management personnel are paid by the Responsible Entity. Payments made from the Funds do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Responsible Entity's fees and other transactions

During the year ended 30 June 2018, the Responsible Entity received an all-inclusive management fee (inclusive of GST, net of RITC available to the Funds) over the Funds' average net assets attributable to unitholders for the year as follows:

	Management costs	
	2018 % per annum	2017 % per annum
Vanguard FTSE Asia ex Japan Shares Index ETF	0.40	0.40
Vanguard Australian Corporate Fixed Interest Index Fund (Wholesale Class)	0.29	0.29
Vanguard Australian Corporate Fixed Interest Index Fund (ETF Class)	0.26	0.26
Vanguard Australian Fixed Interest Index Fund (Wholesale Class)	0.24	0.24
Vanguard Australian Fixed Interest Index Fund (ETF Class)	0.20	0.20
Vanguard Australian Government Bond Index Fund (Wholesale Class)	0.29	0.29
Vanguard Australian Government Bond Index Fund (ETF Class)	0.20	0.20
Vanguard MSCI Australian Large Companies Index ETF	0.20	0.20
Vanguard Australian Property Securities Index Fund (Wholesale Class)	0.23	0.23
Vanguard Australian Property Securities Index Fund (ETF Class)	0.23	0.23
Vanguard Australian Shares High Yield Fund (Wholesale Class)	0.38	0.38
Vanguard Australian Shares High Yield Fund (ETF Class)	0.25	0.25
Vanguard Australian Shares Index Fund (Wholesale Class)	0.18	0.18
Vanguard Australian Shares Index Fund (ETF Class)	0.14	0.14
Vanguard MSCI Australian Small Companies Index ETF	0.30	0.30
Vanguard FTSE Europe Shares ETF	0.35	0.35
Vanguard Global Aggregate Bond Index Fund (Hedged) (Wholesale Class)	0.24	N/A
Vanguard Global Aggregate Bond Index Fund (Hedged) (ETF Class)	0.20	N/A
Vanguard FTSE Emerging Markets Shares ETF	0.48	0.48
Vanguard MSCI Index International Shares (Hedged) ETF	0.21	0.21
Vanguard International Credit Securities Index Fund (Hedged) (Wholesale Class)	0.32	0.32
Vanguard International Credit Securities Index Fund (Hedged) (ETF Class)	0.30	0.30
Vanguard International Fixed Interest Index Fund (Hedged) (Wholesale Class)	0.26	0.26
Vanguard International Fixed Interest Index Fund (Hedged) (ETF Class)	0.20	0.20
Vanguard International Shares Index Fund (Wholesale Class)	0.18	0.18
Vanguard International Shares Index Fund (ETF Class)	0.18	0.18
Vanguard International Shares Index Fund (B Class)	0.18	0.18
Vanguard Global Minimum Volatility Fund (Wholesale Class)	0.35	0.35
Vanguard Global Minimum Volatility Fund (ETF Class)	0.28	N/A
Vanguard Global Value Equity Fund (Wholesale Class)	0.35	0.35
Vanguard Global Value Equity Fund (ETF Class)	0.28	N/A
Vanguard International Shares Index Fund (Hedged) (AUD Class)	0.21	0.21
Vanguard International Shares Index Fund (Hedged) (NZD Class)	0.24	0.24
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged	0.20	0.20
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged	0.23	N/A
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged	0.26	0.26

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Funds and the Responsible Entity are as follows:

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees for the year	217	98	539	271	13,117	11,556	1,241	1,191
Total fees payable to the Responsible Entity at year end	30	9	62	23	1,099	1,074	94	109

	Vanguard MSCI Australian Large Companies Index ETF		Vanguard Australian Property Securities Index Fund		Vanguard Australian Shares High Yield Fund		Vanguard Australian Shares Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees for the year	155	132	10,891	11,105	6,076	5,207	19,840	16,829
Total fees payable to the Responsible Entity at year end	40	11	896	941	1,477	454	1,708	1,465

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees for the year	406	227	351	70	5,948	-	589	237
Total fees payable to the Responsible Entity at year end	45	23	41	16	588	-	59	28

	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	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees for the year	128	61	2,621	4,534	4,525	7,241	25,323	21,915
Total fees payable to the Responsible Entity at year end	12	8	205	398	372	642	2,194	1,809

	Vanguard Global Minimum Volatility Fund		Vanguard Global Value Equity Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees for the year	94	95	67	54	1,724	2,119	2,667	947
Total fees payable to the Responsible Entity at year end	7	7	7	5	138	121	246	174

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings

Parties related to the Funds including the Responsible Entity, its affiliates or other funds managed by the Responsible Entity held units in the Funds as follows:

		Vanguard Australian Corporate Fixed Interest Index Fund						
30 June 2018	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Managed Payout Fund	4,650,394	515,186	533,477	0.35	325,543	4,460,751	95,030	

		Vanguard Australian Corporate Fixed Interest Index Fund						
30 June 2017	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Managed Payout Fund	5,023,252	4,650,394	4,763,399	7.51	537,124	909,982	143,425	
Vanguard Investments Australia Limited	14,967,072	-	-	-	-	14,967,072	120,739	

		Vanguard Australian Fixed Interest Index Fund						
30 June 2018	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	25,931,130	16,709,632	18,669,426	0.38	2,581,289	11,802,787	572,386	
Vanguard LifeStrategy® Conservative Fund	8,343,747	6,436,644	7,191,568	0.15	1,501,147	3,408,250	209,389	
Vanguard LifeStrategy® Balanced Fund	18,184,876	15,235,243	17,022,114	0.35	3,994,969	6,944,602	490,067	
Vanguard LifeStrategy® Growth Fund	17,495,950	14,590,987	16,302,295	0.33	3,975,960	6,880,923	463,672	
Vanguard LifeStrategy® High Growth Fund	5,745,897	5,131,804	5,733,689	0.12	2,055,545	2,669,638	160,851	
Vanguard Conservative Index Fund	261,173,053	232,919,421	260,237,455	5.28	51,929,226	80,182,858	7,273,470	
Vanguard Balanced Index Fund	411,538,495	409,406,478	457,423,855	9.29	129,588,537	131,720,554	12,149,104	
Vanguard Growth Index Fund	235,360,354	255,875,866	285,886,354	5.80	103,819,781	83,304,269	7,609,645	
Vanguard High Growth Index Fund	39,084,498	44,513,863	49,734,686	1.01	33,320,625	27,891,260	1,375,355	
Vanguard Diversified Bond Index Fund	55,065,729	43,047,354	48,096,177	0.98	14,831,030	26,849,405	1,411,572	
Vanguard Managed Payout Fund	8,422,182	966,418	1,079,764	0.02	970,015	8,425,779	218,802	

		Vanguard Australian Fixed Interest Index Fund						
30 June 2017	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	28,530,681	25,931,130	29,019,527	0.59	3,881,650	6,481,201	932,225	
Vanguard LifeStrategy® Conservative Fund	5,899,307	8,343,747	9,337,486	0.19	2,667,700	223,260	243,082	
Vanguard LifeStrategy® Balanced Fund	13,825,930	18,184,876	20,350,694	0.42	5,918,728	1,559,782	558,807	
Vanguard LifeStrategy® Growth Fund	14,261,728	17,495,950	19,579,717	0.40	4,329,930	1,095,708	550,670	
Vanguard LifeStrategy® High Growth Fund	4,524,255	5,745,897	6,430,233	0.13	2,818,607	1,596,966	179,123	
Vanguard Conservative Index Fund	180,850,146	261,173,053	292,278,764	5.99	98,586,097	18,263,189	7,752,493	
Vanguard Balanced Index Fund	287,402,462	411,538,495	460,552,730	9.44	157,708,547	33,572,515	12,003,415	
Vanguard Growth Index Fund	168,220,713	235,360,354	263,391,772	5.40	97,499,147	30,359,506	6,660,091	
Vanguard High Growth Index Fund	33,945,130	39,084,498	43,739,462	0.90	19,995,293	14,855,925	1,157,191	
Vanguard Diversified Bond Index Fund	37,821,995	55,065,729	61,624,058	1.26	24,533,453	7,289,718	1,665,780	
Vanguard Managed Payout Fund	8,750,244	8,422,182	9,425,264	0.19	967,720	1,295,782	279,337	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard Australian Property Securities Index Fund						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Australian Property Securities Fund	115,002,063	110,110,684	105,951,425	2.84	13,590,702	18,482,081	8,685,841	
Vanguard LifeStrategy® Conservative Fund	614,921	-	-	-	7,560	622,481	-	
Vanguard LifeStrategy® Balanced Fund	2,418,507	-	-	-	29,733	2,448,240	-	
Vanguard LifeStrategy® Growth Fund	5,202,991	-	-	-	63,965	5,266,956	-	
Vanguard LifeStrategy® High Growth Fund	6,468,125	-	-	-	79,518	6,547,643	-	
Vanguard Conservative Index Fund	19,168,105	-	-	-	235,651	19,403,756	-	
Vanguard Balanced Index Fund	58,082,200	-	-	-	714,056	58,796,256	-	
Vanguard Growth Index Fund	66,943,181	-	-	-	822,992	67,766,173	-	
Vanguard High Growth Index Fund	44,564,226	-	-	-	547,868	45,112,094	-	
Vanguard Managed Payout Fund	2,357,672	280,979	270,365	0.01	380,633	2,457,326	72,602	

		Vanguard Australian Property Securities Index Fund						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Australian Property Securities Fund	114,364,108	115,002,063	106,514,911	2.81	16,330,170	15,692,215	5,038,733	
Vanguard LifeStrategy® Conservative Fund	564,534	614,921	569,540	0.02	385,283	334,896	28,897	
Vanguard LifeStrategy® Balanced Fund	2,392,225	2,418,507	2,240,021	0.06	762,386	736,104	116,897	
Vanguard LifeStrategy® Growth Fund	5,649,856	5,202,991	4,819,010	0.13	1,190,701	1,637,566	253,463	
Vanguard LifeStrategy® High Growth Fund	6,771,964	6,468,125	5,990,777	0.16	1,723,211	2,027,050	310,325	
Vanguard Conservative Index Fund	17,167,034	19,168,105	17,753,499	0.47	8,316,331	6,315,260	905,426	
Vanguard Balanced Index Fund	49,408,510	58,082,200	53,795,733	1.42	32,046,042	23,372,352	2,581,099	
Vanguard Growth Index Fund	63,980,785	66,943,181	62,002,774	1.64	37,009,524	34,047,128	3,069,511	
Vanguard High Growth Index Fund	49,635,835	44,564,226	41,275,386	1.09	24,705,218	29,776,827	2,008,662	
Vanguard Managed Payout Fund	2,757,326	2,357,672	2,183,676	0.06	125,268	524,922	102,064	

		Vanguard Australian Shares High Yield Fund						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard High Yield Australian Shares Fund	83,051,783	86,222,224	125,969,353	13.73	15,576,592	12,406,151	10,682,973	

		Vanguard Australian Shares High Yield Fund						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard High Yield Australian Shares Fund	84,887,453	83,051,783	128,497,718	14.24	10,400,041	12,235,711	9,367,855	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

30 June 2018	Vanguard Australian Shares Index Fund							Distributions paid/payable by the Fund
	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed		
	Units	Units	\$	%	Units	Units	\$	
Unitholder								
Vanguard Index Australian Shares Fund	240,098,775	239,223,739	532,106,627	5.73	25,955,370	26,830,406	24,049,543	
Vanguard LifeStrategy® Conservative Fund	2,543,430	2,147,117	4,775,844	0.05	324,032	720,345	223,307	
Vanguard LifeStrategy® Balanced Fund	10,758,186	10,156,602	22,591,383	0.24	1,625,209	2,226,793	1,020,802	
Vanguard LifeStrategy® Growth Fund	24,443,960	22,916,208	50,972,643	0.55	2,927,382	4,455,134	2,283,773	
Vanguard LifeStrategy® High Growth Fund	31,033,553	31,827,442	70,793,948	0.76	6,615,835	5,821,946	3,049,289	
Vanguard Conservative Index Fund	76,135,144	77,526,253	172,442,053	1.86	15,204,024	13,812,915	7,605,713	
Vanguard Balanced Index Fund	243,689,850	274,030,811	609,528,179	6.57	66,631,025	36,290,064	25,421,756	
Vanguard Growth Index Fund	326,630,172	407,350,122	906,071,027	9.76	144,968,424	64,248,474	36,786,405	
Vanguard High Growth Index Fund	220,194,336	293,404,053	652,620,185	7.03	122,023,365	48,813,648	26,018,820	
Vanguard Managed Payout Fund	8,508,979	900,079	2,002,051	0.02	719,117	8,328,017	642,006	

30 June 2017	Vanguard Australian Shares Index Fund							Distributions paid/payable by the Fund
	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed		
	Units	Units	\$	%	Units	Units	\$	
Unitholder								
Vanguard Index Australian Shares Fund	242,625,259	240,098,775	495,011,645	5.93	19,619,828	22,146,312	25,602,212	
Vanguard LifeStrategy® Conservative Fund	1,910,018	2,543,430	5,243,790	0.06	1,414,027	780,615	234,893	
Vanguard LifeStrategy® Balanced Fund	9,178,643	10,758,186	22,180,150	0.27	2,702,546	1,123,003	1,066,653	
Vanguard LifeStrategy® Growth Fund	21,843,073	24,443,960	50,396,111	0.60	3,626,820	1,025,933	2,474,679	
Vanguard LifeStrategy® High Growth Fund	27,656,119	31,033,553	63,981,876	0.77	4,728,763	1,351,329	3,104,861	
Vanguard Conservative Index Fund	59,465,857	76,135,144	156,967,827	1.88	24,797,761	8,128,474	7,343,832	
Vanguard Balanced Index Fund	191,249,161	243,689,850	502,415,363	6.02	83,296,743	30,856,054	22,932,193	
Vanguard Growth Index Fund	261,764,445	326,630,172	673,413,426	8.07	111,188,056	46,322,329	30,077,214	
Vanguard High Growth Index Fund	204,649,385	220,194,336	453,974,663	5.44	78,710,149	63,165,198	20,404,208	
Vanguard Managed Payout Fund	8,069,986	8,508,979	17,542,963	0.21	779,494	340,501	875,294	

30 June 2018	Vanguard Global Aggregate Bond Index Fund (Hedged)							Distributions paid/payable by the Fund
	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed		
	Units	Units	\$	%	Units	Units	\$	
Unitholder								
Vanguard Index Diversified Bond Fund	-	44,183,055	44,025,132	1.50	52,900,733	8,717,678	836,810	
Vanguard LifeStrategy® Conservative Fund	-	17,005,474	16,944,692	0.58	20,030,291	3,024,817	303,478	
Vanguard LifeStrategy® Balanced Fund	-	40,329,314	40,185,166	1.37	44,960,716	4,631,402	690,442	
Vanguard LifeStrategy® Growth Fund	-	38,938,565	38,799,388	1.32	43,478,365	4,539,800	660,705	
Vanguard LifeStrategy® High Growth Fund	-	14,070,017	14,019,727	0.48	19,018,442	4,948,425	231,900	
Vanguard Conservative Index Fund	-	623,265,500	621,037,775	21.14	650,087,374	26,821,874	10,306,970	
Vanguard Balanced Index Fund	-	1,093,597,939	1,089,689,114	37.10	1,110,744,444	17,146,505	16,969,989	
Vanguard Growth Index Fund	-	695,200,932	692,716,090	23.58	725,002,851	29,801,918	10,463,277	
Vanguard High Growth Index Fund	-	134,231,088	133,751,309	4.55	140,877,042	6,645,954	1,868,768	
Vanguard Diversified Bond Index Fund	-	113,571,011	113,165,076	3.85	130,659,629	17,088,619	2,024,835	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard Global Aggregate Bond Index Fund (Hedged)						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	-	-	-	-	-	-	-	-
Vanguard LifeStrategy® Conservative Fund	-	-	-	-	-	-	-	-
Vanguard LifeStrategy® Balanced Fund	-	-	-	-	-	-	-	-
Vanguard LifeStrategy® Growth Fund	-	-	-	-	-	-	-	-
Vanguard LifeStrategy® High Growth Fund	-	-	-	-	-	-	-	-
Vanguard Conservative Index Fund	-	-	-	-	-	-	-	-
Vanguard Balanced Index Fund	-	-	-	-	-	-	-	-
Vanguard Growth Index Fund	-	-	-	-	-	-	-	-
Vanguard High Growth Index Fund	-	-	-	-	-	-	-	-
Vanguard Managed Payout Fund	-	-	-	-	-	-	-	-

		Vanguard International Credit Securities Index Fund (Hedged)						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	13,004,693	-	-	-	325,477	13,330,170	-	
Vanguard LifeStrategy® Conservative Fund	4,204,804	-	-	-	102,180	4,306,984	-	
Vanguard LifeStrategy® Balanced Fund	9,111,115	-	-	-	221,407	9,332,522	-	
Vanguard LifeStrategy® Growth Fund	8,872,163	-	-	-	215,601	9,087,764	-	
Vanguard LifeStrategy® High Growth Fund	2,976,957	-	-	-	72,342	3,049,299	-	
Vanguard Conservative Index Fund	130,889,051	-	-	-	4,055,758	134,944,809	-	
Vanguard Balanced Index Fund	208,411,880	-	-	-	5,064,576	213,476,456	-	
Vanguard Growth Index Fund	118,417,391	-	-	-	3,725,742	122,143,133	-	
Vanguard High Growth Index Fund	23,184,911	-	-	-	563,412	23,748,323	-	
Vanguard Diversified Bond Index Fund	27,960,620	-	-	-	679,465	28,640,085	-	

		Vanguard International Credit Securities Index Fund (Hedged)						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	14,221,004	13,004,693	15,305,222	1.09	2,619,537	3,835,848	1,037,023	
Vanguard LifeStrategy® Conservative Fund	2,932,720	4,204,804	4,948,634	0.35	1,488,695	216,611	300,978	
Vanguard LifeStrategy® Balanced Fund	6,658,785	9,111,115	10,722,870	0.76	3,192,026	739,696	680,189	
Vanguard LifeStrategy® Growth Fund	6,910,458	8,872,163	10,441,649	0.74	2,550,314	588,609	678,023	
Vanguard LifeStrategy® High Growth Fund	2,288,265	2,976,957	3,503,580	0.25	1,331,521	642,829	219,012	
Vanguard Conservative Index Fund	89,447,057	130,889,051	154,043,325	10.95	50,647,930	9,205,936	9,837,116	
Vanguard Balanced Index Fund	142,025,197	208,411,880	245,279,941	17.43	85,630,699	19,244,016	15,291,749	
Vanguard Growth Index Fund	84,371,128	118,417,391	139,365,427	9.90	46,886,518	12,840,255	8,510,800	
Vanguard High Growth Index Fund	16,934,177	23,184,911	27,286,321	1.94	13,262,509	7,011,775	1,605,182	
Vanguard Diversified Bond Index Fund	18,753,894	27,960,620	32,906,853	2.34	11,581,444	2,374,718	2,100,116	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard International Fixed Interest Index Fund (Hedged)						
30 June 2018	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	23,316,489	-	-	-	332,082	23,648,571	-	
Vanguard LifeStrategy® Conservative Fund	7,490,566	-	-	-	99,053	7,589,619	-	
Vanguard LifeStrategy® Balanced Fund	16,230,082	-	-	-	214,622	16,444,704	-	
Vanguard LifeStrategy® Growth Fund	15,718,473	-	-	-	207,857	15,926,330	-	
Vanguard LifeStrategy® High Growth Fund	5,176,898	-	-	-	68,458	5,245,356	-	
Vanguard Conservative Index Fund	233,062,739	-	-	-	3,924,130	236,986,869	-	
Vanguard Balanced Index Fund	372,603,161	-	-	-	6,611,549	379,214,710	-	
Vanguard Growth Index Fund	209,517,921	-	-	-	3,612,781	213,130,702	-	
Vanguard High Growth Index Fund	39,587,530	-	-	-	1,365,670	40,953,200	-	
Vanguard Diversified Bond Index Fund	49,573,200	-	-	-	655,542	50,228,742	-	
Vanguard Managed Payout Fund	12,794,086	1,484,896	1,748,758	0.11	1,772,699	13,081,889	430,407	

		Vanguard International Fixed Interest Index Fund (Hedged)						
30 June 2017	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	24,433,290	23,316,489	27,793,254	0.94	3,446,931	4,563,732	1,988,133	
Vanguard LifeStrategy® Conservative Fund	5,088,251	7,490,566	8,928,755	0.30	2,659,752	257,437	548,642	
Vanguard LifeStrategy® Balanced Fund	11,945,080	16,230,082	19,346,256	0.65	5,197,583	912,581	1,259,467	
Vanguard LifeStrategy® Growth Fund	12,208,105	15,718,473	18,736,419	0.63	5,326,030	1,815,662	1,233,432	
Vanguard LifeStrategy® High Growth Fund	3,973,725	5,176,898	6,170,862	0.21	2,130,034	926,861	411,036	
Vanguard Conservative Index Fund	155,017,537	233,062,739	277,810,785	9.37	90,525,481	12,480,279	17,987,557	
Vanguard Balanced Index Fund	246,871,507	372,603,161	444,142,969	14.98	155,049,911	29,318,257	28,043,661	
Vanguard Growth Index Fund	143,711,598	209,517,921	249,745,361	8.42	89,014,784	23,208,461	15,550,364	
Vanguard High Growth Index Fund	29,220,329	39,587,530	47,188,336	1.59	21,830,564	11,463,363	2,929,269	
Vanguard Diversified Bond Index Fund	32,468,542	49,573,200	59,091,254	1.99	20,361,595	3,256,937	3,855,385	
Vanguard Managed Payout Fund	11,706,893	12,794,086	15,250,550	0.51	2,276,701	1,189,508	974,754	

		Vanguard International Shares Index Fund						
30 June 2018	Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index International Shares Fund	139,671,341	150,659,450	326,123,049	2.54	24,272,755	13,284,646	11,628,369	
Vanguard LifeStrategy® Conservative Fund	1,940,734	1,566,498	3,390,899	0.03	553,757	927,993	124,025	
Vanguard LifeStrategy® Balanced Fund	8,643,778	7,559,807	16,364,240	0.13	1,384,546	2,468,517	593,122	
Vanguard LifeStrategy® Growth Fund	19,918,933	17,111,475	37,040,135	0.29	2,302,202	5,109,660	1,336,181	
Vanguard LifeStrategy® High Growth Fund	25,023,533	23,516,380	50,904,431	0.40	4,218,707	5,725,860	1,820,629	
Vanguard Conservative Index Fund	60,223,249	56,581,145	122,477,650	0.95	13,513,871	17,155,975	4,392,479	
Vanguard Balanced Index Fund	198,013,877	205,045,507	443,849,130	3.45	54,946,298	47,914,668	15,471,416	
Vanguard Growth Index Fund	266,152,052	302,007,424	653,736,502	5.08	121,452,769	85,597,397	22,681,834	
Vanguard High Growth Index Fund	180,447,650	218,753,772	473,522,549	3.68	88,661,794	50,355,672	16,288,824	
Vanguard International Shares Index Fund (Hedged)	1,651,907,727	1,999,543,615	4,328,286,473	14.00	699,315,375	351,679,487	160,385,296	
Vanguard MSCI Index International Shares (Hedged) ETF	3,756,823	5,784,203	393,679,981	0.04	2,339,384	312,004	9,203,503	
Vanguard Managed Payout Fund	12,578,376	1,343,259	2,907,668	0.02	1,529,074	12,764,191	422,152	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard International Shares Index Fund						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index International Shares Fund	140,140,213	139,671,341	271,576,957	2.53	11,485,762	11,954,634	17,906,968	
Vanguard LifeStrategy® Conservative Fund	1,527,428	1,940,734	3,773,564	0.04	777,586	364,280	241,178	
Vanguard LifeStrategy® Balanced Fund	7,341,050	8,643,778	16,806,963	0.16	2,145,527	842,799	1,088,899	
Vanguard LifeStrategy® Growth Fund	17,632,939	19,918,933	38,730,375	0.36	2,910,944	624,950	2,515,889	
Vanguard LifeStrategy® High Growth Fund	22,382,515	25,023,533	48,655,759	0.45	3,519,163	878,145	3,156,136	
Vanguard Conservative Index Fund	47,934,362	60,223,249	117,098,086	1.09	17,312,191	5,023,304	7,554,488	
Vanguard Balanced Index Fund	155,024,264	198,013,877	385,018,183	3.58	62,328,329	19,338,716	24,531,893	
Vanguard Growth Index Fund	214,086,412	266,152,052	517,506,051	4.81	88,690,962	36,625,322	32,669,561	
Vanguard High Growth Index Fund	167,371,243	180,447,650	350,862,410	3.26	61,168,495	48,092,088	22,171,018	
Vanguard International Shares Index Fund (Hedged)	2,363,176,265	1,651,907,727	3,211,969,386	29.87	412,578,724	1,123,847,262	221,611,082	
Vanguard MSCI Index International Shares (Hedged) ETF	1,666,052	3,756,823	227,287,437	0.07	2,150,353	59,582	5,946,837	
Vanguard Managed Payout Fund	11,014,978	12,578,376	24,457,395	0.23	1,910,671	347,273	1,593,976	

		Vanguard Global Minimum Volatility Fund						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Managed Payout Fund	19,716,195	2,244,036	2,702,716	12.53	2,804,703	20,276,862	709,584	
Vanguard Investments Australia Ltd	-	11,291,717	13,599,744	63.07	11,291,717	-	-	

		Vanguard Global Minimum Volatility Fund						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Managed Payout Fund	19,981,620	19,716,195	22,387,739	90.42	518,503	783,928	1,019,004	

		Vanguard Global Value Equity Fund						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Investments Australia Ltd	13,250,117	14,185,784	16,487,828	80.86	935,667	-	1,541,152	

		Vanguard Global Value Equity Fund						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Investments Australia Ltd	-	13,250,117	14,707,630	87.98	13,250,117	-	-	

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard International Shares Index Fund (Hedged)						
30 June 2018		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Hedged International Shares Fund	155,967,560	183,217,580	148,313,077	3.66	57,040,149	29,790,129	9,589,488	
Vanguard LifeStrategy® Conservative Fund	-	2,632,267	2,130,798	0.05	3,874,762	1,242,495	140,161	
Vanguard LifeStrategy® Balanced Fund	-	12,568,633	10,174,202	0.25	13,265,867	697,234	649,005	
Vanguard LifeStrategy® Growth Fund	-	27,787,546	22,493,783	0.56	30,230,622	2,443,076	1,426,318	
Vanguard LifeStrategy® High Growth Fund	-	37,849,905	30,639,177	0.76	39,364,749	1,514,844	1,903,453	
Vanguard Conservative Index Fund	-	98,636,593	79,845,486	1.97	107,170,941	8,534,348	4,992,998	
Vanguard Balanced Index Fund	-	332,797,243	269,396,546	6.66	340,707,419	7,910,176	16,318,027	
Vanguard Growth Index Fund	-	502,687,476	406,921,249	10.05	506,282,443	3,594,967	23,769,288	
Vanguard High Growth Index Fund	-	352,550,468	285,386,615	7.05	364,533,692	11,983,224	16,664,693	

		Vanguard International Shares Index Fund (Hedged)						
30 June 2017		Number of units held opening	Number of units held closing	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	\$	%	Units	Units	\$	
Vanguard Index Hedged International Shares Fund	144,812,192	155,967,560	120,859,262	4.31	30,287,116	19,131,748	24,150,454	

Investments

The Funds held investments in the following schemes which were also managed by Responsible Entity or its related parties:

		Vanguard FTSE Europe Shares ETF					
30 June 2018		Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
		\$	%	\$	Units	Units	\$
Vanguard FTSE Europe ETF		191,781,682	-	4,865,193	1,441,800	67,000	-
		191,781,682		4,865,193	1,441,800	67,000	-

		Vanguard FTSE Europe Shares ETF					
30 June 2017		Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
		\$	%	\$	Units	Units	\$
Vanguard FTSE Europe ETF		82,399,813	0.39	1,307,408	1,605,239	125,000	-
		82,399,813		1,307,408	1,605,239	125,000	-

		Vanguard FTSE Emerging Markets Shares ETF					
30 June 2018		Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
		\$	%	\$	Units	Units	\$
Vanguard FTSE Emerging Markets ETF		203,977,248	-	3,552,520	1,645,400	143,800	-
		203,977,248		3,552,520	1,645,400	143,800	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 Related party transactions (continued)

Investments (continued)

30 June 2017	Vanguard FTSE Emerging Markets Shares ETF					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard FTSE Emerging Markets ETF	110,151,761	0.15	1,567,637	886,871	-	-
	110,151,761		1,567,637	886,871	-	-

30 June 2018	Vanguard MSCI Index International Shares (Hedged) ETF					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	393,679,981	0.04	9,203,503	2,339,384	312,004	5,258,814
	393,679,981		9,203,503	2,339,384	312,004	5,258,814

30 June 2017	Vanguard MSCI Index International Shares (Hedged) ETF					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	227,287,437	0.07	5,946,837	2,150,353	59,582	3,670,084
	227,287,437		5,946,837	2,150,353	59,582	3,670,084

30 June 2018	Vanguard International Shares Index Fund (Hedged)					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	4,328,286,473	14.00	160,385,296	669,315,375	351,679,487	101,702,407
	4,328,286,473		160,385,296	669,315,375	351,679,487	101,702,407

30 June 2017	Vanguard International Shares Index Fund (Hedged)					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	3,211,969,386	29.87	221,611,082	412,578,724	1,123,847,262	164,580,401
	3,211,969,386		221,611,082	412,578,724	1,123,847,262	164,580,401

The fair value of financial assets held in the investee fund is included in financial assets at fair value through profit or loss in the balance sheet.

Interest held represents the entity's year end percentage interest in the Wholesale class of the investee funds.

The Funds' maximum exposure to loss from its interest in investee funds is equal to the total fair value of its investments in the investee funds as there are no off-balance sheet exposure relating to any of the investee funds. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

The proportion of ownership interest is equal to the proportion of the voting power held.

The Funds did not hold any investments in Vanguard Investments Australia Ltd during the year.

Other transactions within the Funds

Apart from those details disclosed in this note, no directors have entered into a material contract with the Funds during the financial year and there were no material contracts involving directors' interests subsisting at year end.

Notes to the financial statements (continued)

For the year ended 30 June 2018

15 Responsible Entity's fees

	Vanguard Australian Corporate Fixed Interest Index Fund				Vanguard Australian Fixed Interest Index Fund				Vanguard Australian Government Bond Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	325	213	214	58	11,751	10,423	1,366	1,133	968	940	273	251
Management costs per annum	0.29%	0.29%	0.26%	0.26%	0.24%	0.24%	0.20%	0.20%	0.29%	0.29%	0.20%	0.20%

	Vanguard Australian Property Securities Index Fund				Vanguard Australian Shares High Yield Fund				Vanguard Australian Shares Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	8,600	9,263	2,291	1,842	3,613	3,407	2,463	1,800	16,371	14,370	3,469	2,459
Management costs per annum	0.23%	0.23%	0.23%	0.23%	0.38%	0.38%	0.25%	0.25%	0.18%	0.18%	0.14%	0.14%

	Vanguard Global Aggregate Bond Index Fund (Hedged)				Vanguard International Credit Securities Index Fund (Hedged)				Vanguard International Fixed Interest Index Fund (Hedged)			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	5,937	-	11	-	2,291	4,374	330	160	4,213	7,132	312	109
Management costs per annum	0.24%	-%	0.20%	-%	0.32%	0.32%	0.30%	0.30%	0.26%	0.26%	0.20%	0.20%

	Vanguard International Shares Index Fund				Vanguard International Shares Select Exclusions Index Fund							
	Wholesale Class		ETF Class		B Class		AUD Unhedged Class		AUD Hedged Class		NZD Hedged Class	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	23,295	21,035	1,441	640	587	240	528	208	20	-	2,119	739
Management costs per annum	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.20%	0.20%	0.23%	-%	0.26%	0.26%

Notes to the financial statements (continued)

For the year ended 30 June 2018

15 Responsible Entity's fees (continued)

	Vanguard Global Minimum Volatility Fund				Vanguard Global Value Equity Fund				Vanguard International Shares Index Fund (Hedged)			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class		AUD Class		NZD Class	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	93	54	1	-	65	95	2	-	1,482	1,170	242	949
Management costs per annum	0.35%	0.35%	0.28%	-%	0.35%	0.35%	0.28%	-%	0.21%	0.21%	0.24%	0.24%

	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		Vanguard MSCI Index International Shares (Hedged) ETF	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	217	98	155	132	406	227	351	70	589	237	128	61
Management costs per annum	0.40%	0.40%	0.20%	0.20%	0.30%	0.30%	0.35%	0.35%	0.48%	0.48%	0.21%	0.21%

16 Dividend and distribution income

Dividend and distribution income is net of foreign withholding taxes for the following funds:

	2018	2017
	\$'000	\$'000
Vanguard FTSE Asia ex Japan Shares Index ETF	90	57
Vanguard FTSE Europe Shares ETF	858	231
Vanguard FTSE Emerging Markets Shares ETF	626	278
Vanguard International Shares Index Fund	40,266	35,500
Vanguard Global Minimum Volatility Fund	85	74
Vanguard Global Value Equity Fund	59	38
Vanguard International Shares Select Exclusions Index Fund	3,134	1,212

Notes to the financial statements (continued)

For the year ended 30 June 2018

17 Interest income

The following table details the interest income earned by the Funds during the year:

	2018			2017		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Vanguard Australian Corporate Fixed Interest Index Fund						
Fixed interest securities - domestic	202,030	7,264	3.60%	96,282	4,070	4.23%
Vanguard Australian Fixed Interest Index Fund						
Fixed interest securities - domestic	5,585,114	214,456	3.84%	4,967,722	198,313	3.99%
Vanguard Australian Government Bond Index Fund						
Fixed interest securities - domestic	467,228	17,847	3.82%	453,267	17,701	3.90%
Vanguard Global Aggregate Bond Index Fund (Hedged)						
Fixed interest securities - international	2,658,801	55,554	2.09%	-	-	-%
Vanguard International Credit Securities Index Fund (Hedged)						
Fixed interest securities - international	778,750	23,104	2.97%	1,330,423	41,459	3.11%
Vanguard International Fixed Interest Index Fund (Hedged)						
Fixed interest securities - international	1,737,049	35,744	2.06%	2,784,879	54,507	1.95%

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

Interest revenue is net of withholding taxes of \$465,001 for Vanguard Global Aggregate Bond Index Fund (Hedged), \$11,819 of Vanguard International Credit Securities Index Fund (Hedged) and \$195,448 for Vanguard International Fixed Interest Index Fund (Hedged).

18 Events occurring after the reporting period

On 1 July 2018, Vanguard Global Value Equity Fund lost its AMIT status as it no longer meets the AMIT tax regime qualification.

Colin Kelton resigned as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

Frank Kolimago was appointed as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 30 June 2018 or on the results and cash flows of the Funds for the year ended on that date.

19 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 (2017: Nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 15 to 121 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 30 June 2018 and of their performance, as represented by the results of their operations for the financial 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.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



J Platt
Director
Melbourne
4 September 2018



Independent auditor's report

To the unitholders of:

- 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 Fund (Hedged)*
- 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*
- Vanguard Global Minimum Volatility Fund*
- Vanguard Global Value Equity Fund*
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

referred to collectively as Vanguard Multi-class Funds & Standalone ETFs.

* denotes listed Funds

Our opinion

In our opinion:

The accompanying financial report of Vanguard Multi-class Funds & Standalone ETFs (the Funds) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2018 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheets as at 30 June 2018
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended

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- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Funds, their accounting processes and controls and the industry in which they operate.



Materiality

- For the purpose of our audit we used approximately 2.5% of the Fund's net assets to set overall materiality for the Vanguard International Shares Select Exclusions Index Fund.
- For all of the other funds we used approximately 1% of the Fund's net assets to set our overall materiality for each Fund.



- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is the metric against which the performance of the Funds are most commonly measured and is a generally accepted benchmark in the fund industry.
- We selected 1% and 2.5% based on our professional judgement noting that they are within the range of commonly acceptable net asset related thresholds in the industry.

Audit Scope

- Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit approach reflects the nature of the investments held by the Funds and the consideration of the work undertaken by third party service providers. The key service provider relevant to our audit is the administrator and custodian, who maintains the accounting records of the Funds and provides custodian services for the investments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter

How our audit addressed the key audit matter

Investments in financial assets and financial liabilities

Refer to note 2 (Summary of significant accounting policies) and note 4 (Fair value measurement)

At 30 June 2018, investments in financial assets and financial liabilities comprised primarily of investments in equity securities, listed unit trusts, listed property trusts, unlisted unit trusts, fixed interest securities, money market securities, repurchase agreements and derivatives.

Investments in financial assets and financial liabilities was a key audit matter because investments represent the principal element of the balance sheet. A discrepancy in the valuation or existence of investments could cause the net asset value to be materially misstated which would also impact the Funds' reported performance as the valuation of investments is the main driver of movements in the profit of the Funds.

To assess the design and operating effectiveness of the service providers' relevant controls, we:

- inspected the assurance reports provided to Vanguard Investments Australia Ltd (the "Responsible Entity") by the service provider setting out the controls in place at that service provider, and that included an independent audit opinion over the design and operating effectiveness of those controls
- considered the Responsible Entity's analysis of the results of the tests undertaken and the conclusions formed by the auditor on the design and operating effectiveness of controls to the extent relevant to our audit of the Funds.



Key audit matter

How our audit addressed the key audit matter

We obtained an audit report from the third party service provider's independent auditors on the valuation and existence of the Fund's investments as at balance date. We compared the number and value of the investments at 30 June 2018 as recorded in the Funds' financial report and underlying accounting records to this report.

For investments not held in custody at the custodian we performed the following procedures, amongst others:

- We obtained a confirmation from the counterparties for collateral held or from the unit registry of the Responsible Entity for investments in unlisted unit trusts at year end and compared the confirmed balance to the accounting records.
- We compared the price used by the Funds to value unlisted unit trust investments with the 30 June 2018 price quoted by the unlisted unit trust's Responsible Entity, as well as a comparison to redemptions of units for that quoted price at year-end.
- We obtained the trade ticket and the account statement for repurchase agreements and agreed the amounts to the accounting records.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, including the Director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors of the Responsible Entity for the financial report

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

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf, for the listed funds and

http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf, for the unlisted funds. These descriptions forms part of our auditor's report.

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A handwritten signature in blue ink, appearing to read 'Britt Hawkins', with a long horizontal flourish extending to the right.

Britt Hawkins
Partner

Melbourne
4 September 2018

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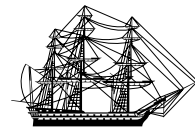
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