



**Transactional & Operational Costs Guide** | Issue date: 1 November 2018

## Vanguard Funds

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# Vanguard Wholesale Funds

Vanguard is the responsible entity of the following Vanguard Wholesale Funds (collectively the 'Funds' and individually 'Fund') for which this Transactional & Operational Costs Guide applies. The information in this Transactional & Operational Costs Guide forms part of the PDS for each of the following funds:

Cash funds	Issue date	ARSN	ABN	APIR® Code
Vanguard Cash Plus Fund	1 Nov 2018	090 940 060	19 638 293 529	VAN0102AU
Vanguard Cash Reserve Fund	1 Nov 2018	127 015 301	62 738 136 510	VAN0020AU
<b>Fixed interest funds</b>				
Vanguard Australian Corporate Fixed Interest Index Fund	1 Nov 2018	147 938 001	51 978 865 366	VAN0065AU
Vanguard Australian Fixed Interest Index Fund	1 Nov 2018	090 939 941	52 931 145 473	VAN0001AU
Vanguard Australian Government Bond Index Fund	1 Nov 2018	134 177 807	23 499 844 319	VAN0025AU
Vanguard Australian Inflation-Linked Bond Index Fund	1 Nov 2018	147 936 249	69 769 407 563	VAN0064AU
Vanguard Diversified Bond Index Fund	1 Nov 2018	147 937 728	90 633 012 411	VAN0042AU
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – AUD Hedged	1 Nov 2018	618 349 090	40 120 502 284	VAN2989AU
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged	1 Nov 2018	618 349 090	40 120 502 284	VAN1233AU
Vanguard Global Aggregate Bond Index Fund (Hedged)	1 Nov 2018	618 350 539	14 933 513 845	VAN9309AU
Vanguard International Credit Securities Index Fund (Hedged)	1 Nov 2018	095 366 055	15 118 646 737	VAN0106AU
Vanguard International Fixed Interest Index Fund (Hedged)	1 Nov 2018	090 940 337	59 108 266 812	VAN0103AU
<b>Property funds</b>				
Vanguard Australian Property Securities Index Fund	1 Nov 2018	090 939 549	27 186 332 271	VAN0004AU
Vanguard International Property Securities Index Fund	1 Nov 2018	115 001 002	97 674 886 440	VAN0018AU
Vanguard International Property Securities Index Fund (Hedged)	1 Nov 2018	115 001 360	52 511 318 838	VAN0019AU
<b>Australian shares funds</b>				
Vanguard Australian Shares High Yield Fund	1 Nov 2018	091 751 807	61 324 061 551	VAN0104AU
Vanguard Australian Shares Index Fund	1 Nov 2018	090 939 718	65 759 271 740	VAN0002AU
<b>International shares funds</b>				
Vanguard Emerging Markets Shares Index Fund	1 Nov 2018	090 939 450	63 171 298 643	VAN0005AU
Vanguard Global Minimum Volatility Fund	1 Nov 2018	165 787 708	80 259 391 198	VAN0068AU
Vanguard Global Quantitative Equity Fund	1 Nov 2018	608 272 626	90 171 261 300	VAN0072AU
Vanguard Global Value Equity Fund	1 Nov 2018	613 053 062	71 928 129 734	VAN0074AU
Vanguard International Shares Index Fund	1 Nov 2018	090 939 610	56 291 101 711	VAN0003AU
Vanguard International Shares Index Fund (Hedged) - AUD Class	1 Nov 2018	093 254 909	97 123 270 094	VAN0105AU
Vanguard International Shares Index Fund (Hedged) - NZD Class	1 Nov 2018	093 254 909	97 123 270 094	VAN0066AU
Vanguard International Shares Select Exclusions Index Fund	1 Nov 2018	613 045 739	45 215 187 041	VAN1579AU
Vanguard International Shares Select Exclusions Index Fund – AUD Hedged	1 Nov 2018	613 045 739	45 215 187 041	VAN3200AU
Vanguard International Shares Select Exclusions Index Fund – NZD Hedged	1 Nov 2018	613 045 739	45 215 187 041	VAN8287AU
Vanguard Ethically Conscious International Shares Index Fund	1 Nov 2018	626 133 275	89 276 633 202	VAN8175AU
Vanguard Ethically Conscious International Shares Index Fund – AUD Hedged	1 Nov 2018	626 133 275	89 276 633 202	VAN0848AU
Vanguard Ethically Conscious International Shares Index Fund – NZD Hedged	1 Nov 2018	626 133 275	89 276 633 202	VAN4013AU
Vanguard International Small Companies Index Fund	1 Nov 2018	127 015 472	20 372 713 731	VAN0021AU
Vanguard International Small Companies Index Fund (Hedged)	1 Nov 2018	127 015 436	13 064 564 422	VAN0022AU
<b>Infrastructure funds</b>				
Vanguard Global Infrastructure Index Fund	1 Nov 2018	128 385 277	82 191 294 545	VAN0023AU
Vanguard Global Infrastructure Index Fund (Hedged)	1 Nov 2018	128 385 197	92 392 829 821	VAN0024AU
<b>Diversified funds</b>				
Vanguard Balanced Index Fund	1 Nov 2018	101 565 431	14 193 060 779	VAN0108AU
Vanguard Conservative Index Fund	1 Nov 2018	101 565 351	24 396 176 911	VAN0109AU
Vanguard Growth Index Fund	1 Nov 2018	101 565 520	43 698 348 922	VAN0110AU
Vanguard High Growth Index Fund	1 Nov 2018	101 565 637	71 339 405 674	VAN0111AU
Vanguard Managed Payout Fund	1 Nov 2018	165 787 324	15 248 663 990	VAN0070AU

# Vanguard Investor Funds

Vanguard is the responsible entity of the following Vanguard Investor Funds (collectively the 'Funds' and individually 'Fund') for which this Transactional & Operational Costs Guide applies. The information in this Transactional & Operational Costs Guide forms part of the PDS for each of the following funds:

Cash fund	Issue date	ARSN	ABN	APIR Code
Vanguard Investor Cash Plus Fund	1 Nov 2018	090 995 887	64 380 598 371	VAN0100AU
<b>Asset sector index funds</b>				
Vanguard High Yield Australian Shares Fund	1 Nov 2018	109 638 379	19 060 820 283	VAN0017AU
Vanguard Index Australian Property Securities Fund	1 Nov 2018	090 995 494	99 571 736 269	VAN0012AU
Vanguard Index Australian Shares Fund	1 Nov 2018	090 995 770	38 931 692 506	VAN0010AU
Vanguard Index Diversified Bond Fund	1 Nov 2018	090 995 841	96 491 646 070	VAN0101AU
Vanguard Index Hedged International Shares Fund	1 Nov 2018	095 375 894	66 256 805 696	VAN0107AU
Vanguard Index International Shares Fund	1 Nov 2018	090 995 583	42 389 448 403	VAN0011AU
<b>Diversified index funds</b>				
Vanguard LifeStrategy® Balanced Fund	1 Nov 2018	103 186 607	31 948 445 348	VAN0124AU
Vanguard LifeStrategy® Conservative Fund	1 Nov 2018	090 996 044	68 558 424 817	VAN0013AU
Vanguard LifeStrategy® Growth Fund	1 Nov 2018	090 996 099	73 804 372 624	VAN0014AU
Vanguard LifeStrategy® High Growth Fund	1 Nov 2018	090 995 967	38 087 357 469	VAN0015AU

# Vanguard Listed Funds

Vanguard is the responsible entity of the following Vanguard Exchange Traded Funds (ETFs) / Active ETFs (collectively the 'Funds' and individually 'Fund') for which this Transactional & Operational Costs Guide applies. The information in this Transactional & Operational Costs Guide forms part of the PDS for each of the following funds:

Fixed interest funds	Issue date	ARSN	ABN	ISIN	ASX
Vanguard Australian Corporate Fixed Interest Index ETF	1 Nov 2018	147 938 001	51 978 865 366	AU000000VACF9	VACF
Vanguard Australian Fixed Interest Index ETF	1 Nov 2018	090 939 941	52 931 145 473	AU000000VAF8	VAF
Vanguard Australian Government Bond Index ETF	1 Nov 2018	134 177 807	23 499 844 319	AU000000VGB4	VGB
Vanguard International Credit Securities Index (Hedged) ETF	1 Nov 2018	095 366 055	15 118 646 737	AU000000VCF4	VCF
Vanguard International Fixed Interest Index (Hedged) ETF	1 Nov 2018	090 940 337	59 108 266 812	AU000000VIF1	VIF
Vanguard Global Aggregate Bond Index (Hedged) ETF	1 Nov 2018	618 350 539	14 933 513 845	AU000000VBND9	VBND
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	1 Nov 2018	618 349 090	40 120 502 284	AU0000022501	VEFI
<b>Property funds</b>					
Vanguard Australian Property Securities Index ETF	1 Nov 2018	090 939 549	27 186 332 271	AU000000VAP7	VAP
<b>Australian shares funds</b>					
Vanguard Australian Shares High Yield ETF	1 Nov 2018	091 751 807	61 324 061 551	AU000000VHY4	VHY
Vanguard Australian Shares Index ETF	1 Nov 2018	090 939 718	65 759 271 740	AU000000VAS1	VAS
Vanguard MSCI Australian Large Companies Index ETF	1 Nov 2018	147 936 105	17 468 108 459	AU000000VLC2	VLC
Vanguard MSCI Australian Small Companies Index ETF	1 Nov 2018	147 936 570	73 969 263 897	AU000000VSO2	VSO
<b>International shares funds</b>					
Vanguard FTSE Emerging Markets Shares Index ETF	1 Nov 2018	147 937 906	91 542 729 566	AU000000VGE8	VGE
Vanguard FTSE Asia ex Japan Shares Index ETF	1 Nov 2018	606 451 110	50 411 576 623	AU000000VAE1	VAE
Vanguard FTSE Europe Shares ETF	1 Nov 2018	606 480 086	30 252 933 265	AU000000VEQ7	VEQ
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	1 Nov 2018	165 787 708	80 259 391 198	AU0000005894	VMIN
Vanguard Global Value Equity Active ETF (Managed Fund)	1 Nov 2018	613 053 062	71 928 129 734	AU0000005886	VVLU
Vanguard MSCI International Shares Index ETF	1 Nov 2018	090 939 610	56 291 101 711	AU000000VGS8	VGS
Vanguard Global Infrastructure Index ETF	1 Nov 2018	128 385 277	82 191 294 545	AU0000026163	VBLD
Vanguard MSCI International Shares Index (Hedged) ETF	1 Nov 2018	165 786 989	92 314 430 239	AU000000VGAD5	VGAD
Vanguard MSCI International Small Companies Index ETF	1 Nov 2018	127 015 472	20 372 713 731	AU0000026171	VISM
Vanguard Ethically Conscious International Shares Index ETF	1 Nov 2018	626 133 275	89 276 633 202	AU0000022485	VESG
<b>Diversified funds</b>					
Vanguard Diversified Conservative Index ETF	1 Nov 2018	101 565 351	24 396 176 911	AU000000VDCO5	VDCO
Vanguard Diversified Balanced Index ETF	1 Nov 2018	101 565 431	14 193 060 779	AU000000VDBA6	VDBA
Vanguard Diversified Growth Index ETF	1 Nov 2018	101 565 520	43 698 348 922	AU000000VDGR9	VDGR
Vanguard Diversified High Growth Index ETF	1 Nov 2018	101 565 637	71 339 405 674	AU000000VDHG0	VDHG

## About the Transactional & Operational Costs Guide

This Transactional & Operational Costs Guide provides information about the transactional and operational costs (“transaction costs”) for each Vanguard fund listed in the table below and is intended to provide investors with a greater level of transparency around these costs. For information about other fees and costs, including management costs, please refer to the PDS for the relevant fund.

### Important note about transaction costs

Transaction costs are not an additional fee paid to Vanguard. They are the costs incurred when buying and selling assets in a fund. Most of these costs would be incurred when investing in the underlying securities directly.

Transaction costs will vary over time, from country to country and will differ depending on the types of assets in which a fund invests.

It is also important to note that the methodologies used by different fund managers to calculate transaction costs may include estimates and can in any event vary significantly based on the methodology used and also the trading strategies used to achieve a fund’s objective.

Past transaction costs are not indicative of future transaction costs and you should carefully consider all relevant information before making an investment decision.

The transaction costs table below sets out:

- **Total transaction costs:** The total transaction costs for managing the assets of the fund, including costs generated by investor applications and redemptions. Importantly, part of this amount within total transaction costs is offset by the buy/sell spread recovery (explained below) and therefore this may not be an accurate measure of the transaction costs you incur through your investment in the fund.
- **Buy/sell spread and other cost recovery:** The amount paid to the fund by transacting investors through a buy/sell spread or ETF recovery fee (as applicable) that compensates the fund for the costs generated by applications and redemptions. This amount is deducted from the total transaction costs.
- **Net transaction costs:** The net amount arrived at by deducting the buy/sell and other cost recovery from the total transaction costs. It reflects the transaction costs that may be incurred and the impact on the fund’s performance returns. In circumstances where the net transaction cost is negative the value will be rounded to zero.

For further details about the above information, refer to the Additional Information section of this guide.

### Fund transaction cost tables

Total transaction costs and net transaction costs are presented as a percentage of the average fund size and are estimated based on the financial year ending 30 June 2018 except as otherwise stated.

# Vanguard Wholesale Funds

Vanguard Funds	Total Transaction costs p.a.	Minus: Buy/sell spread recovery p.a.	Equals: Net Transaction costs p.a.
<b>Cash funds</b>			
Vanguard Cash Plus Fund	0.02%	0.02%	0.00%
Vanguard Cash Reserve Fund	0.00%	0.00%	0.00%
<b>Fixed interest funds</b>			
Vanguard Australian Corporate Fixed Interest Index Fund	0.27%	0.25%	0.02%
Vanguard Australian Fixed Interest Index Fund	0.05%	0.03%	0.02%
Vanguard Australian Government Bond Index Fund	0.03%	0.03%	0.00%
Vanguard Australian Inflation-Linked Bond Index Fund	0.04%	0.01%	0.03%
Vanguard Diversified Bond Index Fund	0.12%	0.08%	0.04%
Vanguard Global Aggregate Bond Index Fund (Hedged)	0.14%	0.06%	0.08%
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged <sup>1</sup>	0.14%	0.06%	0.08%
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged <sup>1</sup>	0.14%	0.06%	0.08%
Vanguard International Credit Securities Index Fund (Hedged)	0.31%	0.10%	0.21%
Vanguard International Fixed Interest Index Fund (Hedged)	0.12%	0.04%	0.08%
<b>Property funds</b>			
Vanguard Australian Property Securities Index Fund	0.02%	0.02%	0.00%
Vanguard International Property Securities Index Fund	0.12%	0.12%	0.00%
Vanguard International Property Securities Index Fund (Hedged)	0.21%	0.17%	0.04%
<b>Australian shares funds</b>			
Vanguard Australian Shares High Yield Fund	0.08%	0.02%	0.06%
Vanguard Australian Shares Index Fund	0.01%	0.01%	0.00%
<b>International shares funds</b>			
Vanguard Emerging Markets Shares Index Fund	0.10%	0.07%	0.03%
Vanguard Global Minimum Volatility Fund	0.30%	0.09%	0.21%
Vanguard Global Quantitative Equity Fund	0.23%	0.05%	0.18%
Vanguard Global Value Equity Fund	0.30%	0.02%	0.28%
Vanguard International Shares Index Fund	0.02%	0.02%	0.00%
Vanguard International Shares Index Fund (Hedged) - AUD Class	0.08%	0.03%	0.05%
Vanguard International Shares Index Fund (Hedged) - NZD Class	0.08%	0.01%	0.07%
Vanguard International Shares Select Exclusions Index Fund	0.05%	0.12%	0.00%
Vanguard International Shares Select Exclusions Index Fund – AUD Hedged	0.12%	0.05%	0.07%
Vanguard International Shares Select Exclusions Index Fund – NZD Hedged	0.11%	0.06%	0.05%
Vanguard Ethically Conscious International Shares Index Fund <sup>1</sup>	0.05%	0.12%	0.00%
Vanguard Ethically Conscious International Shares Index Fund – AUD Hedged <sup>1</sup>	0.12%	0.05%	0.07%
Vanguard Ethically Conscious International Shares Index Fund – NZD Hedged <sup>1</sup>	0.11%	0.06%	0.05%
Vanguard International Small Companies Index Fund	0.10%	0.07%	0.03%
Vanguard International Small Companies Index Fund (Hedged)	0.18%	0.11%	0.07%
<b>Infrastructure funds</b>			
Vanguard Global Infrastructure Index Fund	0.08%	0.10%	0.00%
Vanguard Global Infrastructure Index Fund (Hedged)	0.21%	0.21%	0.00%
<b>Diversified funds</b>			
Vanguard Balanced Index Fund	0.09%	0.03%	0.06%
Vanguard Conservative Index Fund	0.09%	0.03%	0.06%
Vanguard Growth Index Fund	0.09%	0.05%	0.04%
Vanguard High Growth Index Fund	0.08%	0.05%	0.03%
Vanguard Managed Payout Fund	0.15%	0.14%	0.01%

<sup>1</sup> As the inception date of this Fund is after 30 June 2018, these forward-looking annualised estimates are based on reasonably available data.



# Vanguard Investor Funds

Vanguard Funds	Total Transaction costs p.a.	Minus: Buy/sell spread recovery p.a.	Equals: Net Transaction costs p.a.
<b>Cash fund</b>			
Vanguard Investor Cash Plus Fund	0.02%	0.02%	0.00%
<b>Asset sector index funds</b>			
Vanguard High Yield Australian Shares Fund	0.08%	0.02%	0.06%
Vanguard Index Australian Property Securities Fund	0.00%	0.02%	0.00%
Vanguard Index Australian Shares Fund	0.00%	0.02%	0.00%
Vanguard Index Diversified Bond Fund	0.11%	0.05%	0.06%
Vanguard Index Hedged International Shares Fund	0.06%	0.03%	0.03%
Vanguard Index International Shares Fund	0.00%	0.02%	0.00%
<b>Diversified index funds</b>			
Vanguard LifeStrategy <sup>®</sup> Balanced Fund	0.09%	0.05%	0.04%
Vanguard LifeStrategy <sup>®</sup> Conservative Fund	0.10%	0.06%	0.04%
Vanguard LifeStrategy <sup>®</sup> Growth Fund	0.07%	0.04%	0.03%
Vanguard LifeStrategy <sup>®</sup> High Growth Fund	0.07%	0.04%	0.03%

# Vanguard Listed Funds

Vanguard Funds	Fund Code	Total Transaction costs p.a.	Minus: Buy/sell spread recovery p.a.	Equals: Net Transaction costs p.a.
<b>Fixed interest funds</b>				
Vanguard Australian Corporate Fixed Interest Index ETF	VACF	0.27%	0.19%	0.08%
Vanguard Australian Fixed Interest Index ETF	VAF	0.05%	0.00%	0.05%
Vanguard Australian Government Bond Index ETF	VGB	0.03%	0.01%	0.02%
Vanguard International Credit Securities Index ETF (Hedged)	VCF	0.31%	0.13%	0.18%
Vanguard International Fixed Interest Index ETF (Hedged)	VIF	0.12%	0.07%	0.05%
Vanguard Global Aggregate Bond Index (Hedged) ETF	VBND	0.14%	0.32%	0.00%
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF <sup>1</sup>	VEFI	0.14%	0.06%	0.08%
<b>Property funds</b>				
Vanguard Australian Property Securities Index ETF	VAP	0.02%	0.00%	0.02%
<b>Australian shares funds</b>				
Vanguard Australian Shares High Yield ETF	VHY	0.08%	0.00%	0.08%
Vanguard Australian Shares Index ETF	VAS	0.01%	0.00%	0.01%
Vanguard MSCI Australian Large Companies Index ETF	VLC	0.02%	0.00%	0.02%
Vanguard MSCI Australian Small Companies Index ETF	VSO	0.07%	0.02%	0.05%
<b>International shares funds</b>				
Vanguard Emerging Markets Shares Index ETF	VGE	0.02%	0.02%	0.00%
Vanguard FTSE Asia ex Japan Shares Index ETF	VAE	0.48%	0.51%	0.00%
Vanguard FTSE Europe Shares ETF	VEQ	0.00%	0.03%	0.00%
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	VMIN	0.31%	0.17%	0.14%
Vanguard Global Value Equity Active ETF (Managed Fund)	VVLU	0.35%	0.12%	0.23%
Vanguard Global Infrastructure Index ETF <sup>1</sup>	VBLD	0.08%	0.10%	0.00%
Vanguard International Shares Index ETF	VGS	0.02%	0.04%	0.00%
Vanguard International Shares Index ETF (Hedged)	VGAD	0.08%	0.06%	0.02%
Vanguard MSCI International Small Companies Index ETF <sup>1</sup>	VISM	0.10%	0.07%	0.03%
Vanguard Ethically Conscious International Shares Index ETF <sup>1</sup>	VESG	0.05%	0.12%	0.00%
<b>Diversified funds</b>				
Vanguard Diversified Conservative Index ETF	VDCO	0.09%	0.23%	0.00%
Vanguard Diversified Balanced Index ETF	VDBA	0.09%	0.23%	0.00%
Vanguard Diversified Growth ETF	VDGR	0.09%	0.21%	0.00%
Vanguard Diversified High Growth Index ETF	VDHG	0.08%	0.17%	0.00%

<sup>1</sup> As the inception date of this Fund is after 30 June 2018, these forward-looking annualised estimates are based on reasonably available data.

## Additional information

### Total transactional and operational costs

Total transaction costs are incurred in managing the assets of the funds. Such costs arise whenever the funds buy or sell assets to invest applications, fund withdrawals or generally manage the Fund in accordance with its investment objective. Where these costs arise as a result of applications and withdrawals, they will generally be covered by the inclusion of a buy/sell spread in the purchase or withdrawal price.

Transaction costs for the funds include one or both of the following:

- **explicit costs** that are defined costs deducted from the assets of the fund for a particular transaction, such as brokerage, commission and stamp duties
- **implicit costs** unlike explicit costs, are generally more likely to require a level of estimation. Implicit costs can arise as a result of bid/offer spreads being applied by trading counterparties to securities traded by the fund or a material change in security market prices due to increased trading volumes.

The total transaction costs will depend on the actual turnover of assets. At times, where there is higher trading activity, such as to implement a change of index or asset allocation, there may be a higher than usual turnover of assets and consequently a temporary increase in transactional costs.

### Buy/sell spreads and other cost recovery

The purpose of the buy/sell spread is to protect existing investors from the costs generated by the transaction activity of other investors. The buy/sell spread for each fund is Vanguard's reasonable estimate of the transaction costs that the fund may incur to buy and sell assets when investing applications and funding withdrawals.

Investors who invest in a fund will pay the purchase price which is calculated by adding the buy spread to the fund's net asset value per unit (or the net asset value of the relevant class of units where the fund has multiple classes). Investors who withdraw from a fund will receive the withdrawal price which is calculated by deducting the sell spread from the Fund's net asset value per unit (or the net asset value of the relevant class of units where the fund has multiple classes).

The buy/sell spread is paid to the relevant fund to meet these expenses and is not received by Vanguard.

Other recovery costs may include an ETF Recovery Fee which is charged to Authorised Participants in transacting in ETF / Active ETF units. For additional information on the ETF Recovery Fee, refer to the relevant PDS at [www.vanguard.com.au](http://www.vanguard.com.au).

You can determine the dollar value of these costs over a one-year period by multiplying the transaction cost rate with your average account balance. For example, the value of net transaction costs on an average account balance of \$50,000 invested in the Vanguard Australian Shares High Yield Fund was \$30.00 (being approximately 0.06% p.a.). However, such costs for future years may differ. Details of any future changes to such costs will be provided in an updated version of this Guide, available on our website at [www.vanguard.com.au](http://www.vanguard.com.au), where they are not otherwise required to be disclosed to investors under law.





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