



Vanguard[®]

14 June 2018

Important notice to unitholders

Enhancements to the index rules for the Vanguard Australian Shares High Yield Fund

As part of Vanguard's ongoing commitment to give all investors the best chance for investment success, we partner closely with our index providers to continually improve our processes.

As part of our collaboration with FTSE, we have reviewed the index rules for the FTSE ASFA Australia High Dividend Yield Index which is used as the benchmark for the Vanguard Australian Shares High Yield Fund. As a result, the following changes will be made to the index methodology:

- modifying the criteria for removing stocks from the index
- introducing a staged approach to adding and removing stocks.

These enhancements will take effect from the index's next rebalance on Friday, **15 June 2018**.

How will the enhancements benefit investors?

The enhancements are expected to deliver:

- reduced turnover
- greater diversification
- lower trading costs
- more efficient tax outcomes.

As a result of the increased diversification of holdings in the fund, it is expected that there will be a small reduction in the dividend yield from 5.60 per cent to approximately 5.45 per cent.

Does this mean the fund's strategy is changing?

No, the Vanguard Australian Shares High Yield Fund will continue to track the FTSE ASFA Australia High Dividend Yield Index before taking into account fees, expenses and tax.

**If you have any questions, please contact Vanguard Client Services
(8:00 am to 6:00 pm Melbourne time, Monday to Friday):**

SMSF & individual investors - 1300 655 101

Financial advisers - 1300 655 205

Institutional investors - 1300 655 102

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